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REPORTS
FROM
COMMITTEES:

EIGHT VOLUMES.

— (1.) —

ACCOUNTS, PUBLIC;
BANN DRAINAGE; CITY OF LONDON POLICE;
COAL DUTIES (LONDON) ABOLITION.

Session

21 *February* 1889 — 30 *August* 1889.

VOL. IX.

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. 1889.

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1889.

EIGHT VOLUMES:—CONTENTS OF THE

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THE UNIVERSITY OF CHICAGO PRESS

CHICAGO, ILL.

F I R S T
R E P O R T
FROM THE
C O M M I T T E E
OF
P U B L I C A C C O U N T S.

*Ordered, by The House of Commons, to be Printed,
13 March 1889.*

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COMMITTEE OF PUBLIC ACCOUNTS.

Committee nominated,—[*Thursday, 7th March 1889*]—of—

Sir John Lubbock.	Mr. Jackson.
Sir Walter Barttelot.	Mr. Lane.
Mr. Salt.	Mr. Sydney Buxton.
Mr. Barran.	Mr. Arthur O'Connor.
Sir Richard Temple.	Mr. Wodehouse.
Sir Ughtred Kay-Shuttleworth.	

Ordered,—[*Tuesday, 12th March 1889*] :—THAT the Committee have power to send for Persons, Papers, and Records.

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S E C O N D R E P O R T .

THE COMMITTEE of PUBLIC ACCOUNTS have made progress in the Matters to them referred, and have agreed to the following **SECOND REPORT**:—

THE new form in which the Navy Estimates for 1888-89 were placed before Parliament was referred to the Public Accounts Committee of last Session for consideration.

In commenting upon the new Vote 8, and the Distribution Tables it contained, the Committee, in their Third Report, commended the desire of the Admiralty to place the Navy Expense Accounts, as nearly as might be, on the same footing as the Appropriation Account, "by presenting for Parliamentary approval an Estimate under the different heads of the Expense Accounts, which the Executive Officers of the Board will be bound to follow, and by which the Comptroller and Auditor General will test the Accounts." But the Committee agreed with the Treasury in holding that, to obtain binding Parliamentary sanction for such an Estimate, some arrangement corresponding to that applied to the Numbers Vote would be necessary.

Para. 27, Third Report, Public Accounts Committee, 1888.

2. Your Committee observe with satisfaction that the Admiralty have endeavoured to meet this view, and that, consequently, a new Vote appears in the Navy Estimates for 1889-90, designated Vote B. It contains under separate Sub-heads the estimated expenditure in labour, cash, and issues of stores on the Programme for Shipbuilding, Repairs, Maintenance, &c., with a proportion of Establishment Charges, and an Estimated Stock Account of Stores.

This Vote B. it is proposed, if your Committee approve its form, to submit to Parliament for sanction by Resolution.

3. Your Committee have taken evidence respecting the form of this new Vote, and have satisfied themselves that it is approved by the Treasury. They have also ascertained that the form of the Expense Accounts will necessarily conform to the details of Vote B., and will enable the Comptroller and Auditor General to give Parliament more clearly than he otherwise could do the assurance that money and stores have been used for the purposes defined in the Programme for the year. It is proposed to introduce a Bill conferring on him statutory power to examine the Navy Expense Accounts and the Manufacturing Accounts of the Army, and to report the results to Parliament.

Q. 152.
Q. 148.
Q. 334.
Q. 338.

4. The Admiralty, on the other hand, are fully aware of the logical consequences of the new arrangement, namely, that they are deliberately subjecting their action, as the Committee of Public Accounts pointed out last year, to statutory restraint as well as Treasury control.

5. Under these circumstances, your Committee have only to report their approval of the form of Vote B.

6. They have at the same time considered it expedient to inquire whether the introduction of Vote B. into the Estimates will entail any addition to the cost of the establishment of the Comptroller and Auditor General.

Q. 341.

The increase in the work of audit is caused rather by the fact that the Expense Accounts will be examined, than by any change in their form entailed by the introduction of Vote B. and its details into the Estimates. But the principle of submitting the Expense Accounts to the Comptroller and Auditor General for audit had already been accepted by the Treasury on more than one occasion in recent years.

Moreover, had these changes not been made, the altered form of the Army Ordnance Vote and the proposals regarding the Naval Defence Account now before the House would have necessitated the moderate addition to the Comptroller and Auditor General's staff which has been sanctioned. He informs your Committee that this addition will enable him to conduct not only the audit proposed in the Naval Defence Bill, but also that of the Navy Expense Accounts, and the Manufacturing Accounts of the Army.

Q. 342.

10 April 1889.

PROCEEDINGS OF THE COMMITTEE.

Wednesday, 13th March 1889.

MEMBERS PRESENT :

Mr. Wodehouse.
Sir Ughtred Kay-Shuttleworth.
Sir Walter Barttelot.
Sir Richard Temple.

Sir John Lubbock.
Mr. Jackson.
Mr. Sydney Buxton.
Mr. Lane.

Sir UGHTRED KAY-SHUTTLEWORTH was called to the Chair.

The Committee considered the Excesses in Class III., Votes 5 and 28, and Class IV., Vote 18, of the Civil Service Appropriation Accounts, 1887-88.

Sir *Charles L. Ryan*, K.C.B., Mr. *Henry Nicol*, and Mr. *E. W. Hamilton*, C.B., were examined.

DRAFT REPORT, proposed by the *Chairman*, brought up, and read the first and second time.

Question, That this Draft Report be the First Report of the Committee to the House,—put, and *agreed to*.

Ordered, To Report.

[Adjourned till Wednesday next, at Two o'clock.]

Wednesday, 20th March 1889.

MEMBERS PRESENT :

Sir UGHTRED KAY-SHUTTLEWORTH in the Chair.

Sir Walter Barttelot.
Mr. Salt.
Mr. Barran.
Mr. Wodehouse.
Mr. Lane.

Mr. Arthur O'Connor.
Mr. Jackson.
Mr. Sydney Buxton.
Sir Richard Temple.

The Committee considered Vote B. of the Navy Estimates, 1889-90.

Mr. *Gordon Miller*, Mr. *E. W. Hamilton*, C.B., and Sir *Charles Ryan*, K.C.B., were examined.

[Adjourned till Wednesday next, at Two o'clock.]

Wednesday, 27th March 1889.

MEMBERS PRESENT:

Sir UGHTRED KAY-SHUTTLEWORTH, in the Chair.

Sir John Lubbock.
Mr. Lane.
Mr. Salt.
Mr. Sydney Buxton.
Sir Richard Temple.

Sir Walter Barttelot.
Mr. Barran.
Mr. Wodehouse.
Mr. Arthur O'Connor.
Mr. Jackson.

Vote B. of the Navy Estimates, 1889-90, was further considered.

Sir *Charles Ryan* and Mr. *E. W. Hamilton* were examined.

The Navy Appropriation Accounts, 1887-8 (Vote 10, and Excesses on Votes) were considered.

Mr. *Collett*, Sir *Charles Ryan*, K.C.B., Sir *Gerald FitzGerald*, K.C.M.G., and Mr. *E. W. Hamilton*, C.B., were examined.

[Adjourned till Wednesday next, at Twelve o'clock.]

MINUTES OF EVIDENCE.

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MINUTES OF EVIDENCE.

Wednesday, 13th March 1889.

MEMBERS PRESENT:

Sir Walter Barttelot.
Mr. Sydney Buxton.
Mr. Jackson.
Sir Ughtred Kay-Shuttleworth.

Mr. Lane.
Sir John Lubbock.
Sir Richard Temple.
Mr. Wodehouse.

SIR UGHTRED KAY-SHUTTLEWORTH, BART., IN THE CHAIR.

CIVIL SERVICE APPROPRIATION ACCOUNTS, 1887-88.

MR. EDWARD W. HAMILTON, C.B., and Sir CHARLES LISTER RYAN, K.C.B., called in;
and Examined.

EXCESSES.

CLASS III.—On VOTE 5.

COUNTY COURTS.

Chairman.

1. (To Sir C. L. Ryan.) I THINK the reason given for this excess is, that there has been a re-arrangement in the expenditure in some of the county courts, so that in some cases more than 12 months' expenditure has been included within the year?—That is so, and to a certain extent, as the correspondence shows, it is due to the action of the Audit Office, which considered that the expenditure which was incurred did not sufficiently come within the financial year to

Chairman—continued.

which it should be charged; that a larger amount was left standing over from one year to another than was consistent with the proper application of the Parliamentary grant. That was recognised by the Accounting Officer, and he, in his endeavours to pursue what was, I think, a right course, has overshot his resources. Mr. Nicol, who is here, can give any explanation that is wanted on that point.

MR. HENRY NICOL, called in; and Examined.

Chairman.

2. HAVE you any explanation that you wish to offer, in addition to what has been stated by the Comptroller and Auditor General?—No, I think not.

Mr. Jackson.

3. Did the Treasury take a Supplementary Estimate for this?—I took a Supplementary Estimate for a large sum, and now I have a deficit still; therefore I did not take enough.

4. My object is to ask whether at the time when we took the Supplementary Estimate it 0.60.

Mr. Jackson—continued.

would have been possible to have foreseen the increased expenditure, so that we might have covered it at that time?—I really think I ought to have foreseen it. I had sent the circular asking for the five quarters to be brought in, but the very large sum that I did have to ask for for increased business, I suppose, drove it out of my mind. I was very much surprised to find that I had not asked for what I ought to have asked.

[The Witness withdrew.

13 March 1889.]

Mr. HAMILTON, C.B., and Sir C. L. RYAN, K.C.B.

[Continued.]

APPROPRIATION ACCOUNTS—Class III.

ON VOTE 28.

COUNTY COURT OFFICES, &c. (IRELAND).

Chairman.

5. (To Sir C. L. Ryan.) The Accounting Officer is not here, I suppose?—He is not here.

6. Perhaps you can explain the excess in this instance?—The excess in this instance is an excess according to the Appropriation Account, but is a surplus according to the view which I entertained at the time this Report was written.

7. Before you come to that, perhaps you would deal with the excess as it appears on the account presented to you?—The excess on the account, as presented to me, was a sum of 336 l. 12 s. 6 d., as shown by the account itself. The action of my Department, after examining the account, turns it, in my Report to Parliament, into a surplus, as you will see on the next page of the Appropriation Accounts, of 781 l. 8 s. 9 d.; whether it is an excess or a surplus depends on the determination of this Committee, upon whether or not they accept the view held in my Report.

8. Before entering into that rather thorny question, I was wanting to ask for an explanation of the fact that 336 l. 12 s. 6 d. more has been spent under the Vote than had been authorised by Parliament?—I am afraid that on that point I can only refer the Committee to the explanation given on the page of the account itself by the Accounting Officer. I cannot supplement that in any way.

9. (To Mr. Hamilton.) Have you any explanation you wish to offer?—The only explanation I have to give is the one that is appended to the Paper before the Committee among the "Explanations," wherein is said: "Excess expenditure due to insufficient provision for payments to valuers under Section 32 of Land Law (Ireland) Act, 1887; to payments of arrears (due in 1836-87) to executors of deceased Clerks of the Crown and Peace, and to continued employment of one temporary Resident Magistrate in excess of Estimate."

10. (To Sir C. L. Ryan.) Will you now explain how you regard this as a surplus?—The reason that I regard this as a surplus in my Report is that, following the precedents of former years, the amounts paid to these divisional magistrates are in excess of the statutory limits. That question, as the Chairman is well aware, has been before this Committee on several occasions. They have considered it carefully themselves; they have come to the conclusion that the contention of the Comptroller and Auditor General was the right one, that these payments were in excess of the statute, and they have reported to the House of Commons their opinion to that effect. The Government of the day had actually brought in a Bill for the purpose of legalising these payments, which Bill, as stated in the Report here, was withdrawn in the last Autumn Session. I can only judge of the facts according to the law as it stands, or rather as I imagine the law to stand, at the moment; and according to the way in which I imagined the

APPROPRIATION ACCOUNTS—Class III.

Vote 28.—County Court Offices, &c. (Ireland)
—continued.*Chairman—continued.*

law to stand until a very short time ago, there was no question that these payments were in excess of the statute, and consequently that they were illegal. As it is necessary for the Committee to determine this question, now I must take them on to the last communication which I have on the subject, and that is the letter from the Treasury dated the 22nd February 1889. In order to be quite certain that I am accurate with regard to the views of the Treasury, there having been one or two slight alterations, I will merely state to the Committee that I have received a letter dated the 22nd of February 1889, and perhaps Mr. Hamilton would read the Minute for the information of the Committee.

11. (To Mr. Hamilton.) Will you kindly do so?—This is the Treasury Minute dated the 15th February 1889 (*reading the same*). (*The same was handed in, see First Report.*)

12. Then, as I understand, the Treasury see in this a mode of escaping from the present system of irregularly paying the divisional magistrates in excess of what the statute allows?—That is so.

13. Therefore there is some hope that this irregularity will be discontinued in future?—Certainly. I should add that the Irish Government have accepted the proposal of the Treasury, and that in the Civil Service Estimates for 1889-90 provision is made for six Divisional Commissioners, under the head of "Executive Officers," Sub-head D., Salaries.

14. So far as the expenditure for the past year is concerned, does the Treasury adhere to the view which you expressed to the Committee last year, that whilst the payment has been irregular it has been legalised by the passing of the Appropriation Act?—Yes, that is the distinction that the Treasury have always drawn, and, I think, still draw, namely, that though the payments are irregular the action of the Treasury has been legal, and in that view they were supported by the Law Officers at one time.

15. I understand on that ground you would not agree with the Comptroller and Auditor General that there is a surplus instead of a deficit?—No; I should not agree with him.

Mr. Lane.

16. (To Sir C. L. Ryan.) Do I understand that your explanation of this being a surplus instead of a deficit is on the ground that the Comptroller and Auditor General disallows the sum of 1,118 l. 1 s. 3 d. paid to the resident magistrates?—Yes.

17. And this excess of 336 l. 12 s. 6 d. deducted from that leaves the surplus which in your note you say remains upon this Vote, namely, 781 l. 8 s. 9 d.?—That is so.

18. If the Committee should pass, in opposition to your wishes, this sum that is now sought to be legalised by the Minute which Mr. Hamilton has read, would not that make this

336 l. 12 s. 6 d.

13 March 1889.]

Mr. HAMILTON, C.B., and Sir C. L. RYAN, K.C.B.

[Continued.]

APPROPRIATION ACCOUNTS—Class III.

Vote 28.—County Court Offices, &c. (Ireland)
—continued.

Mr. Lane—continued.

336 l. 12 s. 6 d. an actual deficit on the Vote, instead of being a surplus of the large amount you name?—Yes.

19. Might I ask, do you take the same view that Mr. Hamilton takes of this proposed arrangement that is now being made, that the mere changing of the names of these gentlemen, upon whose salary this excess has arisen, from divisional magistrates to divisional commissioners will legalise the past payments which you have so frequently objected to on the ground of their illegality, in consequence of this Bill not being introduced and passed by the Government?—I hardly think it is a case upon which I can give an individual opinion. I shall look with natural suspicion upon an arrangement for regularising a payment which has not been hitherto regular, arising simply from what has been described, and I think accurately described, as a change of name rather than a change of duty. At the same time there is the opinion distinctly stated to be given by the Law Officers of Ireland that this is in conformity with law, and a proper action on the part of the Lord Lieutenant and the Government. Therefore I do not think that I have any right or authority to state an opinion adverse to that given on the legal point by the highest legal authorities. I should undoubtedly bow to their ruling on a point of that sort, whatever opinion I might otherwise entertain.

20. I can quite understand your feeling on that matter, and therefore I will not press you further upon the question, but perhaps I may put the question to Mr. Hamilton. (To Mr. Hamilton.) The point I am not quite clear upon (owing perhaps to my not being able to hear distinctly the wording of the Minute which you have just read), and which I want to have quite clear, is this: Do the Lords of the Treasury assert that the mere fact of altering the names of these gentlemen in Ireland who have hitherto been known as "Divisional Magistrates" to "Divisional Commissioners" will enable the Lords of the Treasury to legalise the payments which have been made in the past, and to which this Committee has every year objected on the ground of illegality?—The Treasury would hold that it is considerably more than a mere alteration of the name; it is absolutely cancelling their appointment, and the power under which they hold their present appointment, which is the warrant from the Lord Lieutenant, and reconstituting the office entirely afresh, to which they would be re-appointed.

Chairman.

21. The point is, that they would no longer be resident magistrates, and therefore no longer subject to the statute which limits the salary of resident magistrates?—That is so.

Mr. Lane.

22. Do I understand you to say that the Treasury had no information before them at the 0.60.

APPROPRIATION ACCOUNTS—Class III.

Vote 28.—County Court Offices, &c. (Ireland)
—continued.

Mr. Lane—continued.

time that would lead them to believe that when the name of the office had been changed there would be no alteration in the duties performed?—I am not aware whether the duties were formally explained to the Treasury at the time these appointments were originally made.

23. Then, practically, the only thing before the Treasury is the communication from the Irish Government that the positions of these gentlemen would be changed; they have no information as to a different scale of duties being performed?—They must have had some information, because they could not possibly have satisfied themselves that they were justified in sanctioning the increase of salary, which they did.

24. Have the Treasury any information before them enabling them to know what is the difference between the position of divisional commissioners and divisional magistrates?—I am afraid that I cannot say without referring to papers what exact information the Treasury had in 1883; but they have full information now as regards the exact duties of what are going to be the divisional commissioners.

Chairman.

25. I think that answer is given on a little misapprehension. The honorable Member asked whether the Treasury have any information as to any difference between the duties performed by these gentlemen in their future capacity as divisional commissioners and the duties now performed in the capacity of divisional magistrates?—I understood the honorable Member's question to refer to the time when the original appointments were made. There is no change of duties.

Mr. Lane.

26. Then the Committee are to understand that this arrangement which is now suggested by the Lords of the Treasury is simply the best method that the Law Officers in Ireland could give the Government of getting out of the position, which it would be impossible for them to extricate themselves from otherwise than by being able to pass a Bill to legalise these salaries in Parliament?—I am not aware that there is any other way out of it. This is the only alternative to that of submitting a Bill, which has been suggested to the Treasury.

27. That is not exactly the point I want to elucidate. My point is, whether the Treasury have adopted this suggestion simply for the purpose of getting the Government out of the unpleasant position in which they find themselves, of not being able to legalise these excess payments of years past by any other means than by passing a Bill through the House of Commons?—The Treasury are anxious to take a step to regularise the payments (the irregularity of which they have repeatedly admitted) as soon as possible; and knowing what the difficulties of legislation are, they are anxious to avail themselves

13 March 1889.]

Mr. HAMILTON, C.B., and Sir C. L. RYAN, K.C.B.

[Continued.]

APPROPRIATION ACCOUNTS—Class III.

Vote 28.—County Court Offices, &c. (Ireland)
—continued.

Mr. Lane—continued.

selves of the opportunity of rectifying the irregularity without any risk of further delay.

28. The Comptroller and Auditor General has year after year, to a certain extent, rebuked the Government for not pushing this Bill through the House of Commons, which has been introduced *pro forma* Session after Session; do the Lords of the Treasury think the Government really took such measures as might be within their power to pass the Bill Session after Session; do they think that the Government exercised due care?—I think that is hardly a question that I can answer.

Mr. Jackson.

29. You draw a distinction between the word “irregular” and the word “illegal”?—I do.

30. I do not understand you to admit, as might rather be taken from the honourable Member's question (the point not having been referred to), that in the view of the Treasury the payments in the past are illegal; but your view is that they have been legalised?—They have been legal, but irregular.

Mr. Lane.

31. Were they legal before the Appropriation Act regularised them?—I presume that during the few months during which they were paid at the higher rate when the appointments were first made, and before the passing of the Appropriation Act, the payment might be held to be illegal. (Sir C. L. Ryan.) I think this distinction between irregularity and illegality is an important question to consider. The Law Officers' opinion, upon which the Treasury's view is founded, is one that was taken some years ago; it was not taken with regard to this particular case, and I do not think this particular point was ever clearly laid down, or that the Law Officers' opinion was clearly asked upon this question, which is the basis of my view: If a particular Act authorises a particular sum, can a subsequent Act (which does not have reference to that particular sum) by implication repeal the previous section? I think that if the Law Officers' opinion were asked upon that particular point, they would give it rather in favour of the view which I hold than in favour of that which Mr. Hamilton has just stated. I know it is the general view that if a total sum (not of course an individual item, for then there could be no doubt about it) appears in the Appropriation Act the individual items of that Vote are not appropriated by the Appropriation Act. Consequently if there is a pre-existing statute which defines the application of any part of that sum, and is not shown to be repealed by any subsequent Act, the original statute will hold.

Chairman.

32. I understand you to say that an Act of Parliament having fixed the salary to be given to the

APPROPRIATION ACCOUNTS—Class III.

Vote 28.—County Court Offices, &c. (Ireland)
—continued.

Chairman—continued.

resident magistrates in Ireland the fact that a larger sum is voted by Parliament, and then the Appropriation Act is passed approving the total Vote in which that sum is included, does not legalise the payment?—Exactly.

Sir John Lubbock.

33. (To Mr. Hamilton.) I suppose the Treasury are anxious as far as possible to save the time of Parliament?—That is so. But the Executive being advised that it is within their power to rectify any irregularity without going to Parliament, it is very doubtful whether they have any business to come to Parliament.

Mr. Sydney Buxton.

34. I should like to ask where there is any precedent for this course, which as I understand is practically this, that the Treasury by a Minute and a change of name override the statute; is not that what they have done practically?—No, it is hardly that. The Treasury Minute suggests that the present appointments should be cancelled and that fresh appointments should be made, in order that the disability attaching to the office of resident magistrate may no longer exist.

35. That is overriding the original intention of the statute, is it not?—That need hardly be said, because these divisional magistrates or Commissioners are performing duties that were certainly not contemplated when the Act of 1874, which fixed the salaries for residential magistrates, was passed.

36. Has there been a similar case to this before this?—I am not aware of any similar case.

37. This will practically relieve the Government from any necessity of introducing the Bill dealing with these gentlemen?—That is so.

Mr. Jackson.

38. The Bill of course was introduced with the view of meeting the repeatedly expressed wishes of this Committee?—Yes.

Mr. Sydney Buxton.

39. On the other hand the House of Commons had no opportunity of expressing its opinion upon it, and they will not upon this scheme?—Not until a Vote is again submitted.

40. What I rather meant to say was this; they might have had an opportunity of expressing an opinion if the Bill had been introduced, but under the Minute of the Treasury they have no opportunity of expressing an opinion one way or the other?—That is so.

41. This is taking it away from their cognizance?—No, hardly that, because the House of Commons has a perfect right to refuse the salary when it is submitted to them in the form of a Vote.

42. Do

13 March 1889.]

Mr. HAMILTON, C.B., and Sir C. L. RYAN, K.C.B.

[Continued.]

APPROPRIATION ACCOUNTS—Class III.

Vote 28.—County Court Offices, &c. (Ireland)
—continued.

Sir Walter Barttelot.

42. Do I understand you to say that these Divisional Commissioners perform precisely the same duties they performed when they were divisional magistrates, and that now being called Divisional Commissioners they are enabled not only to receive the 1,000 l. a year, the extra payment paid to them previously illegally as divisional magistrates?—£. 1,000 a year was the total of the illegal payment; 675 l. was the limit under the statute of 1874.

43. It was made up to 1,000 l.?—Yes.

44. Then as I understand it is really simply this; that the gentlemen perform precisely the same duties as before, and that the payment of the salary is now made legal by the name being changed?—That is so; but the honourable Member will understand that the resident magistrate such as was contemplated by the Act of 1874, which laid down that scale of salary, was not the same officer as the divisional magistrate who was appointed in 1882. The divisional magistrate, who is now to be called Divisional Commissioner, performs very different duties and wider duties than those which the ordinary resident magistrate performs.

45. In fact, when that Act was passed there ought to have been much greater licence in the Act than was allowed?—It is a most unusual thing for any scale of salaries to be prescribed in an Act of Parliament. I am aware of very very few cases in which the hand of the Executive Government is tied to that extent. It is always left to the discretion of the Treasury.

Mr. Sydney Buxton.

46. Is this the only case in which the salary of an official is prescribed in an Act?—It is not the only case. I think the salaries of the constabulary officers, and a few of the judicial officers, are prescribed by Act of Parliament, but I know of very few such cases.

47. It is practically on that ground that you justify this Minute?—That is certainly one of the grounds upon which this action of the Treasury can be justified.

48. On the other hand I suppose the Houses of Parliament had good reason for prescribing the salaries?—I am not aware what the reasons were at the time. The Act was passed in 1874.

CLASS IV.—ON VOTE 18.

QUEEN'S COLLEGES (IRELAND).

Chairman.

49. (To Mr. Hamilton.) I understand that a practice prevails of voting a certain amount of money as the equivalent of students' fees; that that amount is paid into the Exchequer, but that the professors actually receive the fees themselves, and that in the past year they have received 207 l. 3 s. more than was voted by Parliament, 0.60.

APPROPRIATION ACCOUNTS—Class IV.

Vote 18.—Queen's Colleges (Ireland)
—continued.

Chairman—continued.

and have not handed over the balance of 207 l. 3 s. to the Exchequer; is that so?—That is so. The fees received by the professors were in excess of the provision of Parliament. That is what it comes to; they had no business to receive that excess; it was irregular to do so.

50. And it was in spite of very distinct instructions given to the Irish Government by the Treasury by the letter of the 28th of February 1880?—That is so.

51. In which letter it is said that "if the moneys provided by Parliament be insufficient to cover the full amount of such payments the Chief Secretary's Office shall direct the bursars to abate from their payments to the professors *pro rata* so much as will reduce the aggregate thereof to the sum that remains available upon the Vote;" is that so?—That is so.

52. The regular course would have been, after the balance of 207 l. 3 s. had been handed over to the Exchequer, for a larger Vote to be taken in the ensuing year in order that the 207 l. 3 s., the equivalent of fees, might be paid to the professors?—Yes.

53. (To Sir C. L. Ryan.) Have you any remark to make upon this subject?—No, I have no remark to make; the thing has been clearly explained. The only thing I ought to say in fairness is that the fault does not really lie with the Colleges, but lies with the Irish Office, because the facts were reported to the Secretary for Ireland, and he was asked for leave to make the payment; he gave the leave without looking to see that he had the money on his Vote. The Colleges, therefore, were not in fault so much in the matter as the Irish Government, but, of course, if the Treasury instructions had been obeyed, the irregularity would not have arisen.

54. I understand that the Lord Lieutenant has given orders that the instructions laid down in the letter of the 28th February 1880, which I have just referred to, shall not be departed from again?—Yes, I do not think this is likely to recur.

55. Under these circumstances would there be any objection to the Excess Vote being voted?—I should think certainly not. No doubt the Committee are aware that technically there is an excess upon the Navy also, but I presume that it will not be thought necessary to take that now; I only wish to say that the Treasury having refused their consent to the application of surpluses to meet deficiencies under the Navy Vote, certain Navy Votes stand at present in excess. But there is of course money upon the other Votes (if the Committee should condone it) to meet it; and therefore there would be no question, I suppose, of taking an Excess Vote.

56. Is it necessary that an Excess Vote should be submitted to Parliament in the case of the Navy when the total sum voted by Parliament for the Navy has not been exceeded?—Technically, certainly

13 March 1889.]

Mr. HAMILTON, C.B., and Sir C. L. RYAN, K.C.B.

[Continued.]

APPROPRIATION ACCOUNTS—Class IV.

Vote 18.—Queen's Colleges (Ireland)
—continued.*Chairman*—continued.

certainly it so. Each Vote stands by itself; if there is an excess of a Vote that can only be met by an Excess Vote from Parliament. There is the power in the Appropriation Act of transferring in the case of the Army and Navy Votes the surplus of one Vote to meet a deficiency on another Vote, but that must be done with the consent of the Treasury.

Mr. Jackson.

57. In the case to which you refer the sanction of the Treasury has not been given to the payment of the deficit out of savings out of other other Votes?—That is so.

58. And therefore, unless this Committee when it comes before them condone the offence (in which case the accounts would stand), there would be a deficit?—There would be a deficit, which would have to be voted.

APPROPRIATION ACCOUNTS—Class IV.

Vote 18.—Queen's Colleges (Ireland)
—continued.*Chairman.*

59. But that question will have to be dealt with by the Committee when it comes before them?—Quite so. I only refer to it now in order to mention all the excesses.

60. (To Mr. Hamilton.) I believe you have some Papers that you wish to hand in?—Yes; I hand in the Treasury Minute of the 10th of January 1889 upon the First and Second Reports of the Public Accounts Committee, and also the Treasury Minute dealing with the Third Report of the Public Accounts Committee, dated the 12th of January 1889, and also a comparison of Exchequer Issues with Audited Expenditure, and a General Abstract of the Appropriation Accounts, 1886-87 (*handing in the same*).

[The Witnesses withdrew.]

Wednesday, 20th March 1889.

MEMBERS PRESENT:

Mr. Barran.
Sir Walter Barttelot.
Mr. Sydney Buxton.
Mr. Jackson.
Sir Ughtred Kay-Shuttleworth.

Mr. Lane.
Mr. Arthur O'Connor.
Mr. Salt.
Sir Richard Temple.
Mr. Wodehouse.

SIR UGHTRED KAY-SHUTTLEWORTH, BART., IN THE CHAIR.

Mr. EDWARD W. HAMILTON, C.B., and Sir CHARLES LISTER RYAN, K.C.B., re-called; and further Examined.

NAVY ESTIMATES FOR THE YEAR 1889-90.

On VOTE B.

Mr. GORDON WILLIAM MILLER, called in; and Examined.

Chairman.

61. (To Mr. Miller.) YOU attend on behalf of the Admiralty, do you not, to explain the form of the new Vote B. to this Committee?—I do.

62. Referring to the observations of Mr. Forwood, the Secretary to the Admiralty, in the Navy Estimates of last year, the object that he had in view in altering the form of certain Votes, and including them under Vote 8 with the Distribution Statement, was to show, was it not, the product anticipated from the expenditure, especially as regards dockyard work?—I understand that to be the case.

63. I think he said in his observations on the Navy Estimates, "the Appropriation Account annually presented to Parliament is limited to accounting whether moneys voted have been expended upon the particular Votes and their several sub-heads, but there has hitherto been no direct relation between the Estimates and the work to be produced"?—That is so.

64. And it was endeavoured in those Estimates to supply that omission, and for that purpose a new statement was placed with Vote 8 for Dockyards, distributing the aggregate estimated expenditure upon labour, and the value of the stores issued at those establishments?—Yes.

65. There was another object, was there not, in that statement, which was to permit of its being examined in connection with the Dockyard Expense Accounts which had recently been completely re-arranged, and were audited by the Comptroller and Auditor General?—Yes; the object was to prepare the Estimates and the Expense Accounts in such a form that the two would contain similar information; that is to say, that the expenditure could be correlated with the Estimates.

0.60.

Chairman—continued.

66. Upon that the Treasury made certain observations, and the Committee of Public Accounts in their Report said that they agreed with the Treasury in holding that tables which combine the cash expenditure of a given year with the money value of issues of stores from stock purchased indifferently in that or previous years, cannot form an integral part of a cash estimate on which a cash Vote is to be taken?—The expenditure at the dockyards does not wholly follow the cash transactions. The difference occurs in regard to the stores; the quantity of stores withdrawn from stock during a year never actually agrees with the quantity purchased for stock.

67. And the Committee reported that in their opinion it was undesirable to introduce into the body of an estimate any headings which are not susceptible if necessary of being reproduced in the account books; they also reported that no binding sanction of Parliament can be obtained for the tables unless some arrangement corresponding to that applied to the Numbers Vote be made for voting the money value or quantities of stores to be issued out of stock and labour to be employed in the year, separately from the Vote of cash to be expended in the year?—I understand it to be the object of Vote B. to make up that deficiency.

68. At the same time the Committee commended the desire of the Admiralty to place the Navy Expense Accounts as nearly as may be on the same footing as the Appropriation Account by presenting for Parliamentary approval an Estimate under the different heads of the Expense Accounts, which the executive officers of the Board will be bound to follow, and by which the Comptroller and Auditor General will test the accounts?

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Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., and
Mr. MILLER.

[Continued.]

NAVY ESTIMATES, 1889-90.

Vote B.—continued.

Chairman—continued.

accounts?—The Expense Accounts refer to the dockyard expenditure in the same way as the Appropriation Account refers to payments.

69. Dockyard expenditure, including expenditure from stores, that is to say?—Yes.

70. Then the Committee finally observed that if Parliamentary sanction of the Distribution Tables be obtained by Vote or Resolution the Admiralty must be prepared for the logical consequences, and submit to the statutory restraint, as well as Treasury control, which will be necessarily entailed by such an arrangement?—I understand that that was the case.

71. Then the Estimates of this year have been prepared, have they not, with a view of carrying out those views of the Committee of Public Accounts?—They have been prepared with the object of constituting Vote B. as a Vote which should govern the expenditure.

Mr. Jackson.

72. “Govern the expenditure;” what does that mean?—I mean that if this Vote is agreed to the expenditure would be necessarily limited by the amount of the Vote; that is to say, that if the expenditure is proposed to be increased steps would have to be taken to obtain Treasury and Parliamentary approval of that increase.

Chairman.

73. Vote B. is, in fact, a summary of the expenditure both of money and stores coming within the financial year?—It is.

74. And it appropriates under separate sub-heads the estimated expenditure in labour and material?—Yes.

75. With the proportion of establishment charges to each class of work?—Yes.

76. And that will be accounted for in the Navy Expense Accounts, which are now subject to the audit of the Comptroller and Auditor General?—That is so.

77. I see in the Statement attached to the Navy Estimates by Mr. Forwood this year, he says that the details attached to Vote B. have been slightly modified; I suppose that means that they are arranged somewhat differently from those of last year attached to Vote 8?—That particularly applies to the details of the Programme of works which are to be carried out in the dockyards and by contract, chiefly as regards ships which are to be built. The form has been somewhat altered, but the information contained is about the same, only it has been put in a more convenient shape.

78. That is to say, a more convenient shape than that in which it was put in Vote 8 of last year's Estimates?—Yes, it is now arranged so that anyone can see at a glance the estimated first cost of a ship, the expenditure to the close of the current year, the estimated expenditure for the future year, and the outstanding liability at the close thereof.

NAVY ESTIMATES, 1889-90.

Vote B.—continued.

Mr. Jackson.

79. What do you mean by the estimated first cost of a ship?—The estimated first cost of a ship is the estimated expenditure which will be incurred to complete her.

80. Is that what is spoken of in this Memorandum attached to the Navy Estimates of this year as “the original and estimated cost”?—Yes.

Chairman.

81. There is also one other point of difference, is there not, between Vote B. of this year and Vote 8 of last year; that is, that an estimated stock account of stores is also appended containing information which had never been previously furnished?—That appears for the first time in the Navy Estimates for the year 1889-90.

82. That is at page 268?—Yes.

83. It is the form of Vote B., is it not, which is to-day submitted to the Public Accounts Committee for approval?—That is so.

84. Will you hand in (I believe you have not got it with you) the form of Resolution by means of which it is proposed to take the sense of the House upon Vote B.?—I have not the form of Resolution with me to-day, but I will speak to the Financial Secretary on the subject, and hand it in.

85. I believe it is proposed to take Vote B. after all the other Votes?—Yes.

86. So that the various details of the Votes will be discussed first before the Programme as a whole is voted?—Yes.

87. (To Mr. Hamilton.) Has the form of Resolution been submitted to the Treasury yet, and approved by them?—The form has been considered by the Treasury, but it has not been finally determined yet.

88. Are the Treasury satisfied that it is best to take Vote B. after the other Votes?—Yes, I think so.

89. (To Mr. Miller.) Now we come to the details; I will ask you to explain in detail Vote B. to the Committee; first of all passing on from page 159, the Vote is divided into various sections, is it not?—Yes.

90. Will you explain Sections 1 and 2 to the Committee?—Sections 1 and 2, on pages 160, 161, 162, and 163, include all the expenditure to be incurred at the dockyards and elsewhere in connection with dockyard work, such as for the wages of workmen (divided under a variety of heads), the civil pensions of those workmen, the wages of the police force, and contingencies; these headings refer particularly to the *personnel*, and are divided between dockyards at home and dockyards abroad.

91. The *personnel* being Section 1?—Yes; with regard to the *matériel*, Section 2, the expenditure includes the value of naval stores, &c., to be withdrawn from stock for the various purposes upon which the labour will be employed; it also includes freight, rents, water, gas, and the important item of the cost of buildings,

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Mr. MILLER.

[Continued.]

NAVY ESTIMATES, 1889-90.

Vote B.—continued.

Chairman—continued.

buildings, docks, &c., that is to say, new works to be carried out during the year; and the ordinary expenditure connected with maintenance; also this section includes the value of the yard machinery to be added. I should add, in regard to these two sections, that there is one item which appears under the head of *personnel*, that is the amount of the labour that will be expended in the manufacture of stores for stock, which perhaps needs explanation. As these statements deal exclusively with the expenditure of the dockyards, it is the practice to value stores withdrawn from stock, at prices, which include the cost of manufacture in the yards; consequently, we abate from the *personnel* (at the bottom of page 160) a sum which is estimated to represent the amount of labour used in the manufactures, and which is included in the rate-book values as charged to the work in hand.

Mr. Arthur O'Connor.

92. What item is that?—It appears at the bottom of page 160. For instance, 104,798 *l.* may be estimated to be included in the allocation of expenditure say, on line 1, on page 163, "New Construction," 704,069 *l.*; "Ships (Repairs)," 96,553 *l.* and 69,805 *l.*; and "Stores for Ships," 215,000 *l.* Those figures include the value of stores manufactured.

Mr. Barran.

93. Including, I suppose, in the cost of those stores, the establishment charges?—A certain portion of the stores are manufactured in shops at the dockyards, and each of those shops has a series of incidental expenditure of its own. A proportion of the salaries of the officers who, among other duties, supervise those shops, is now added.

94. May I ask what calculation you make when the property belongs to the Crown and no rent is paid; when it is a freehold belonging to the Crown, do you make any estimate of the value of that estate in connection with the expenses of the department?—These particulars are given in the Expense Accounts; but we do not include in the prices of articles any allowance for interest and capital.

95. Nor on estate?—No, nor on estate.

Chairman.

96. Is that an item which will appear in the Expense Accounts, but to which there is no corresponding item in Vote B.?—Yes. Certain expenditure in Vote B., for additions to the buildings, docks, &c., at the dockyards, passes into the Capital Account which is attached to the Expense Accounts, but no further use is made of that information; no rate of interest is calculated upon that capital.

0.60.

NAVY ESTIMATES, 1889-90.

Vote B.—continued.

Mr. Barran.

97. No interest is charged on that accumulated property?—None.

98. If I may ask a question as to the calculation made on establishment charges, I should like to know whether you have one uniform rate of calculation on establishment charges, or whether the rate is regulated according to the circumstances of the case?—The incidental charges of the dockyard are made up of a variety of items, which include the whole of the salaries of the officers, a proportion of the expenditure in connection with works and buildings (new and repairs), and a certain percentage added to the salaries to cover the prospective costs of pensions; they include rents, rates, taxes, and a certain proportion of the cost of gas and of the maintenance of machinery in the dockyards. Also a considerable portion of the labour and materials expended in the yards, which cannot be allocated to particular ships or to particular work which is being undertaken in the yards; for instance, dockyard gear, cables, chains, &c., for use at the wharves and docks, opening and shutting the dock gates, &c., where the cost cannot be debited to a ship; then there is the cost of hawsers and various gear, carts, and carriages, and the pay of draftsmen and modellers, not charged to ships; the cost of fire engines, of police, of cleaning the yard, of the offices, hurt money, and holidays. Then, in addition to these expenses, which are considered to relate to the labour employed in dockyards, there are those connected with store-keeping, surveying stores, freight, and miscellaneous expenses. All expenses of these descriptions, which cannot be charged to the particular work going on in the dockyards, are apportioned at the close of each year *pro rata* to the direct expenditure of labour and materials.

Mr. Jackson.

99. I will ask you one question for the purpose of clearing up one of your answers; you used the term rents, rates, and taxes; in the term "rents" you mean rents which are actually paid, do you not?—Yes; it is a small item.

100. But it is not a small item on the usual calculation, as the phrase is ordinarily understood by "rents, &c.," as ordinarily understood in a manufacturing concern; I should take you to mean either rent or the equivalent of rent?—No, it does not mean that; it means the actual payment made for rents. The cost of rents, rates, taxes, water, &c., comes, I notice, to about 7,000 *l.* a year at Portsmouth.

Mr. Barran.

101. Do I correctly understand that where the property belongs to the Crown no rent is charged for that property in connection with the constructive work?—That is so.

102. Then I should like to ask you one other question;

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Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., and
Mr. MILLER.

[Continued.]

NAVY ESTIMATES, 1889-90.

Vote B.—continued.

Mr. Barran—continued.

question; have you one uniform rate of charge on your productions in connection with the Expense Accounts, or do you vary the charge according to the kind of work which is done?—The various items of incidental charges do not wholly appertain to the particular work going on in the dockyards. In addition to the dockyards being maintained for the performance of the work of shipbuilding or ship repairing that happens to be in progress during the year, they are maintained for purposes of a national character, such, for instance, as to meet any considerable pressure of work that may be casually thrown upon them by emergencies or war. Under those circumstances, it is the practice to divide the whole of these incidental charges under two heads, namely (looking at page 163 of these Navy Estimates), those apportioned to the work in hand, and those (which appear in the last two columns but one on the right-hand side of page 163), which are described as “Establishment and incidental charges unappropriated to ships, &c.” These are written off (if you look at the third column from the end of the Vote) “Fleet, Port, National, and Unappropriated Charges.” Last year each of the descriptions of incidental charges that I have mentioned, was carefully examined in the Controller’s Department, and a scheme of distribution was arrived at in each case, by which a fair proportion was allocated to ship work, and the remainder written off. The schemes of distribution received the approval of the Admiralty. They have been followed (subject to minor adjustments) in computing the distribution in the Estimates for 1889-90, and the actual expenditure incurred during that year will be apportioned on precisely similar lines.

103. For general national services?—For general national services.

104. And I suppose that that covers the expense attendant on all kinds of things delivered under contract to the Government?—Yes; that expense would appear under the head of expenses connected with storekeeping and store receiving.

105. There are a good many expenses connected with the execution of contracts after the contractors deliver them at the different stores, are they not?—In receiving stores?

106. Yes?—No; stores are generally delivered in a complete state, or as raw material, such as timber, iron, &c., used in the manufacturing shops in producing articles for store.

107. Still there is a great deal of expense in handling those things after they are delivered, is there not?—That is included under the store-keeping charges, distributed at the end of the year, *pro rata*, to the values of stores supplied to the various ships, &c.

108. Therefore, I may conclude fairly, may I not, that whatever is delivered under contract bears a fair proportion of the cost of working the establishment?—Yes; but the expense is not cast on the values of stores received; it is cast on the

NAVY ESTIMATES, 1889-90.

Vote B.—continued.

Mr. Barran—continued.

values of stores issued, which practically comes to the same thing in the long run.

Chairman.

109. Passing on to Section 3, that relates, does it not, to contract work, and all contract supplies for new ships as distinguished from stores purchased under Section 2 of Vote 8?—Yes. Section 3 includes chiefly the cost of propelling and other machinery for Her Majesty’s ships when not made in the dockyards, and the cost of other auxiliary machinery; it also includes the cost of hulls of ships, &c., built by contract; and the cost of gun mountings, torpedo carriages and gear, to be purchased, as distinguished from the purchases of naval stores.

110. Will you kindly describe to the Committee the difference between Vote B. and Vote 8 as regards stores?—Vote 8 provides for payments for additions to stock; Vote B. provides for withdrawals from stock.

111. Do you mean that Vote 8 shows what stock will be bought in the course of the financial year, whereas Vote B. shows what stock will be used up in the financial year?—That is so.

112. Turning back to page 159, it is understood, is it not, that the Admiralty will not be able, without Treasury and Parliamentary sanction, in the same way as in the case of the cash grants, to exceed either of the sub-heads, or to appropriate a saving on one sub-head to meet an excess on another?—That I understand to be the position.

113. Do the Admiralty desire any latitude different from that which they have with respect cash grants?—I believe not.

114. With respect to the figures in the Column 1, page 159, of Direct Expenditure, will the Admiralty be bound to those figures under each sub-head?—That is so.

115. And as regards the totals at the bottom of the page, they must not be exceeded, I take it?—I understand that the Admiralty binds itself in regard to these figures in this way, that the total amount under each of these sub-heads is not to be exceeded without Treasury sanction. I perhaps made rather a mistake in my last answer. I do not think that the Admiralty will be bound by the sums given under the Direct Expenditure, but they will be bound by the sums in the third column of that Vote. I might say that this expenditure, which appears under the second column, is to a very great extent automatic, and, consequently, perhaps it almost binds the Admiralty to those figures in the first column; but practically the binding is as regards the third column.

116. But the practical effect of being bound to the third column will be, will it not, to bind the Admiralty to the figures in the first column?—Almost so.

117. And it will not be possible, under the terms of the new Bill, which is to be introduced, to utilise a saving upon the new Programme as regards direct charges to meet any excess upon the

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[Continued.]

NAVY ESTIMATES, 1889-90.

Vote B.—continued.

Chairman—continued.

the old Programmes of ships now in progress?—That I understand to be a provision in the Bill.

Mr. Barran.

118. That is to say, that the moneys voted will have to be applied to the purposes for which those moneys are voted?—Yes, for the new Programme, and for the ships in progress respectively; I understand that to be so.

Mr. Lane.

119. How can that be guaranteed as regards Column No. 2?—I believe that Column No. 2 is not dealt with in the Bill; I think that the sums of money provided in the Bill represent direct charges only.

120. That is in the first column only?—I think so.

Mr. Wodehouse.

121. I should like to put one question arising upon that. Take Sub-head B., if you saved upon the 835,000 *l.* in the first column, could you spend above the 90,000 *l.* in the second column, so long as you did not exceed the total of 926,000 *l.* in the third column?—I think so.

122. You could use a saving on the first column under the second column?—Yes, I think so; but for the reasons which I gave just now, those figures in the second column are the result of the distribution of the whole of the incidental charges over the expenditure in the Direct Expenditure column; it is a *pro rata* distribution; so that if there were any saving on the second column (as against the first column) it would apply to each sub-head.

Mr. Barran.

123. The second column is merely hypothetical, in fact?—It is in a measure; but much of the expenditure included in it is almost automatic.

Chairman.

124. And it is also proportionate to the expenditure in the first column?—Yes; that is to say that the total of 1,304,000 *l.* in the second column, less the 945,855 *l.* included in Sub-head E., is distributed *pro rata* over the 4,103,000 *l.* which appears in the first column; but certainly I understand that if we saved as a whole on the incidental charges in the second column, that would enable us to spend more money on the first column, but not as regards the 1,282,501 *l.*, the amount of the new Programme.

Mr. Sydney Buxton.

125. You mean that if there is a saving on the first column there is bound to be a proportionate saving on the second column?—I do.

Chairman.

126. But not *vice versa*?—No. If there was a saving on the second column I should rather look to an increase in the first column, because it 0.60.

NAVY ESTIMATES, 1889-90.

Vote B.—continued.

Chairman—continued.

would mean that the charges were being appropriated more directly to the ships.

127. You spoke just now of the amount written off as national outlay under the heading of Establishment Charges; that is shown in Sub-head E., I think?—That is collected and shown in Sub-head E., on page 159. If you look at the second and third columns on the right-hand side of pages 161, 163, and 165, you will observe in what way that total is arrived at; it is the total sum under the head of "Establishment and Incidental Charges unapportioned to Ships, &c." It is worked up to a total, on page 165, of 945,855 *l.*, which is carried thence into Column 2, on page 159.

Mr. Arthur O'Connor.

128. That is more than two-thirds of the total, which is 1,304,149 *l.*?—It is a large sum.

129. Over which the Admiralty would have full discretion?—No; that appears as a sub-head in the third column of Vote B., and the Admiralty would be unable to exceed it.

130. If you look at page 159 in the second column, you have a total of 1,300,000 *l.*, and of that you have 945,000 *l.*, which is put down as Charges Miscellaneous and Unappropriated?—That is so.

131. I say that 945,000 *l.* is between two-thirds and three-quarters of the total, 1,300,000 *l.*?—Yes.

132. And inasmuch as it is unappropriated it must be at the discretion of the Admiralty how it shall be appropriated?—It cannot be appropriated; it includes a proportion of salaries written off to Harbour and National Charges. I will quote the chief items. One is a proportion of the pensions, which is at page 161. Another important item is yard services; that is to say, the proportion which, as I explained just now, is written off to Harbour and National Charges. Then we come to an important item of 97,932 *l.*, the proportion of pensions of workmen, in addition to a rate of 10 per cent., added to the cost of their wages to cover the cost of prospective pensions.

133. But that is only a little more than 10 per cent.?—Then there is Wages, &c., of Police Force, 35,000 *l.* a year. On the next page, page 163, there appear the amount of Buildings, Docks, &c., 161,000 *l.* a year; and in addition to that there is 39,410 *l.* on page 165 in connection with the Royal Reserve of Merchant Cruisers. In the second column from the end on the right-hand side of pages 161 and 163, you find 128,445 *l.* and 169,438 *l.*, which represent the whole of the indirect expenditure at the foreign dockyards, which are unappropriated. These items, with the minor items, which I pass over, make up the 945,000 *l.*

Mr. Sydney Buxton.

134. But are these items of which you have told us, on pages 161 and 163, merely for information, and are the Admiralty bound to expend them,

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[Continued.]

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Vote B.—continued.

Mr. Sydney Buxton—continued.

them, and no more?—They represent a portion of the expenditure which would be incurred during the year; but it is an expenditure which it is not possible to attribute to any particular work that happens to be going on at the dock-yards.

Mr. Jackson.

135. Is it not an item which is arrived at by taking a per-centage, and not an estimate of actual expenditure?—It is a proportion. The total incidental expenditure at the various dock-yards, including that in connection with Section 3, which we cannot charge direct to ships, amounts to 1,304,149 £ for the year.

136. Let me put the question in another way; would it be possible to produce vouchers for the expenditure?—Yes, absolutely.

137. For each item?—Yes, for each of the payments or charges of which an item is made up.

Mr. Barran.

138. Are the vouchers produced now?—Yes.

139. Are the Committee to understand that these are expenses which are incidental to the circumstances of the service?—Yes, that is so, both as regards the home and foreign yards.

Chairman.

140. And, as I understand it, each item will have a corresponding item in the Expense Accounts, and the Comptroller and Auditor General will be able to ask a question as to any point of difference between the Expense Accounts and the corresponding items in Vote B.; and in addition to that, as regards the total of 945,855 £, under Sub-Head E., the Admiralty are bound not to exceed that sum without Treasury and Parliamentary sanction?—That I understand to be so.

Mr. Lane.

141. As a matter of fact I suppose that all these charges under this head which we are discussing, which appear on page 161, would have to be paid annually if there were no ships built at all; they are mostly pensions?—Yes, that is so.

142. But if at any particular time there was no shipbuilding these pensions and charges would still be accruing on the Navy Accounts?—Yes, that is so; some are automatic.

Chairman.

143. I believe that Vote B. only includes the expenditure for work performed for Admiralty purposes, and not the cost of work done by the Admiralty, on repayment either as regards wages or material?—That is so.

144. Then all expenditure under Vote B., as a whole, except that representing the value of stores withdrawn from stock, corresponds, does it not, with cash payments, which are governed by the grants or by Treasury sanction?—Yes.

145. Consequently, except as regards stores,

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Vote B.—continued.

Chairman—continued.

no excess can occur upon Vote B., as a whole, without a similar excess of cash payments on one of the old Votes, and for which Treasury or Parliamentary approval would be requisite?—Speaking generally, that is so.

Mr. Barran.

146. But stores can be utilised to the extent of the requirements of the service, can they not?—Yes, irrespective of the quantity that is bought; any difference would represent an increase or depletion of stock.

Chairman.

147. (To Sir C. L. Ryan.) May I ask you whether in the natural course in examining the Expense Accounts you would examine every item corresponding with these details which are contained in Vote B.?—The duty of examining the Expense Accounts, which has not been hitherto imposed upon my Department, but which is to be, would involve, to the extent to which the examination was carried (and in consequence of its great magnitude, it is not proposed that it should be otherwise than a test), the responsibility of ascertaining as far as possible the accuracy of each of the various sub-heads and details in the Expense Accounts as compared with the Estimate, which is Vote B. The same course would be pursued with regard to Vote B. as is now pursued with regard to any other Vote. A full detailed examination could not be given; but each head would be tested, and, so far as the books and inspection would go, we should try to verify every separate item shown in the Estimates and reproduced in the Accounts. If an item is not reproduced in the Accounts, as I explained on a former occasion, the fact of its being in the Estimate would give us no means of comparison; but assuming that the Expense Accounts were a transcript of the actual expenditure as compared with the Estimate under Vote B., then we should so follow it.

148. Then is it of value to you that the expenditure of money or stores should be set forth in so much detail as it is in this form of Vote B.?—The greater the detail in the Estimate the more detail we are able to demand in the Account; the greater the combining of sub-heads the less the responsibility which rests upon the Department for preparing the Accounts in conformity with those sub-heads; and therefore there is no doubt that it makes the work of examination far clearer to have full detailed Estimates than it would be if they were put in one lump sum.

149. And with respect to the sub-heads, are you satisfied with the proposal to divide the Vote into those five sub-heads?—The question of sub-heads is rather a Treasury Regulation than a Parliamentary one. As I understand this Vote B., Parliament would have to be applied to for their authority if the total amount of 5,000,000 £ shown here is exceeded. The

Resolution

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Vote B.—continued.

Chairman—continued.

Resolution which will be proposed to the House will govern that amount, and that amount only; if more than that amount is spent the same authority will be required for that expenditure as is required in the case of any other Vote that is exceeded, namely, Parliamentary authority. With regard to the sub-heads, they may be exceeded to any extent which the Treasury, upon representation being made to them, are satisfied should be the case; and if the Treasury gave their authority, Parliament would not be consulted about the excess upon a sub-head.

Mr. Jackson.

150. That is to say, that a sub-head may be exceeded, as you said, to any extent, assuming that that excess could be met out of the savings on another sub-head?—Clearly; the total Vote cannot be exceeded.

Mr. Barran.

151. So long as the aggregate is not exceeded?—Yes.

Chairman.

152. (To Mr. Hamilton.) Looking at page 159 from the Treasury point of view, is the Treasury satisfied with this form of Vote B., and with the proposed division into the five sub-heads?—Yes, we are satisfied as to the form; it is not the form which was originally submitted to the Treasury, but I believe it is considered that the form as it has now made its appearance in the Estimates is an improvement on the one originally submitted to the Treasury.

153. I believe that the Treasury approval has not yet been given to the whole of Vote B., but that the points in reserve are not points of importance from the point of view of this Committee?—The Treasury approval has practically been given now.

154. Within the last day or two, that is to say?—Yes, within the last two days, subject to one or two explanations for which we have asked.

Mr. Barran.

155. Is it the intention of the Treasury to present to Parliament a statement showing the variations which may take place compared with the Estimates which have been made for the building and repairing of ships?—Yes, on the Expense Accounts, which will succeed Vote B.

Chairman.

156. (To Mr. Miller.) Turning to page 268, whereas the rest of Vote B. is given in a great deal of detail, I observe that page 268, which contains the value of stock, gives very few details?—First of all it gives the estimated value of stock at the commencement of the year, say the 31st of March 1888.

Mr. Jackson.

157. Would you please explain how that is obtained?—The value of the stock is ascertained 0.60.

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Vote B.—continued.

Mr. Jackson—continued.

by a valuation at the dockyards of the whole of the Store Ledger remains on the 31st of March, at the rate-book prices in operation at that date and on the 1st of April.

Chairman.

158. How do you deal with the question of obsolete stores; how do you place any value upon them?—They are debited to stock at the estimated value that is placed upon them by a professional survey at the dockyards. I take it that you mean obsolete stores and stores that are for sale, worn-out stores.

159. I meant stores that have not yet absolutely come on for sale, but which practically cannot be used?—I cannot answer that at the moment; but the process as regards obsolete stores is to reduce their value by a process after professional survey. Professional officers in the dockyards acquainted with the values of these stores, and what they are likely to fetch at sales, fix the valuations.

160. As a matter of fact, when the sales occur, is it found that those values which have been put upon them beforehand correspond with the actual rates paid?—I think, taking them all round, they are not far out. The professional officers, as a rule, value the old stores at what may be described as the reserved price; but the articles mostly consist of old rope, and old metals, &c., which have regular market values.

161. Then I observe that whereas you put the value of stock on the 1st of April last year at 2,663,143 £, you put it for the 31st of March 1889 at 2,362,000 £, and at a still lower figure, 2,350,000 £ for March 1890; that signifies a depletion of stock within the current year, and a further contemplated depletion in the next year. Have the Admiralty any opinion as to what the reserve stock should amount to in value?—I could not say; that would not relate to the Expense Accounts.

Sir Richard Temple.

162. Does that mean depletion or depreciation in value, or both?—It means depletion, I understand.

Mr. Jackson.

163. Just to make it clear let me ask you this; you first said, if I remember rightly, that the value was arrived at by taking the prices which would come into operation on the 1st of April?—Yes.

164. Supposing that the price which was to come into operation on the 1st of April (although you have not told us how you arrive at that price) is 20 per cent. less for a given article than it was at the time when it was purchased, would not that be depreciation rather than depletion?—It might mean both, I think.

Chairman.

165. But if depletion includes some depreciation there must necessarily in such a change be depletion;

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[Continued.]

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Vote B.—continued.

Chairman—continued.

depletion; it cannot be only due to depreciation considering the amounts spent on new stores each year?—When stock is valued at the prices in force on the 31st of March, and the 1st of April, there must be an increase or decrease; I do not think that is taken into consideration in connection with these figures.

Mr. Barran.

166. Do I rightly understand you to say that at that stocktaking professional valuers are employed to set a value on the stock?—On articles considered by the storekeeper to be obsolete; if he considers stores obsolete he would call for a professional survey and valuation. All articles received by the storekeeper from ships, &c., are subject to professional inspection, and if they are condemned they are simply brought into stock at the value of old material; that is to say, supposing that several brass articles were returned from one of Her Majesty's ships and were condemned, the store would only be charged with the value of the old brass they contain.

Mr. Salt.

167. Might I ask you this in furtherance of the questions that have just been asked; you show in these figures a reduction upon the value of stock to a very large amount, 300,000 *l.* in two years. Now there are two ways of producing a stock of this kind; one is by turning out the useless stock, which has not been sufficiently attended to previously, and the other is by a substantial reduction in your supply of serviceable stock. I want to know whether you can tell the Committee which operation has been acted upon in this case?—I could not say; that would be a question as regards the manipulation of the materials.

168. Is not that a matter of very great importance?—It is. In years gone by there was a considerable reduction in the value of stock owing to a number of articles having been allowed to accumulate in store which were found to be obsolete and useless. The late Director of Stores took that matter in hand some years ago, and not only got rid of all the obsolete stores in stock, which simply represented so much money lying idle, but also took steps with a view to preventing the accumulation of these obsolete stores.

169. But turning out the useless stores is a very proper and useful operation, is it not?—Yes; but I think that under the present arrangements, I cannot speak with much authority on that subject, the accumulation of obsolete stores is reduced almost to a minimum. Circumstances change so rapidly in the present day that some stores must become obsolete.

Mr. Wodehouse.

170. Are the professional valuers you employ at the dockyards in the service of the Crown?—Yes.

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Vote B.—continued.

Sir Walter Barttelot.

171. Does this estimated value of stores which will issue in the year 1889-90 include the estimate for the new ships that are proposed to be built?—Yes, for the new ships that are proposed to be built in the dockyards.

172. Are they not in excess of the ships that have been built hitherto?—That is shown on page 159.

173. But are they in excess, or are they not?—I could not say.

174. Is not your shipbuilding Programme in the dockyard to be a much larger Programme this year than it has been?—I could not say with any authority, but I think it is not much larger.

Mr. Barran.

175. Are you not aware that Parliament is asked to grant a very large increase of money for that purpose?—Yes.

Sir Walter Barttelot.

176. But here is a statement that in the year 1889-90 we are to have a less issue of stores than we have had hitherto; I want to know how you can make that estimate if we are to have a larger amount of shipbuilding?—I see that there is to be a less amount in 1889-90 for dockyard shipbuilding than there was in 1888-89 by 55,754 *l.*; that appears on page 159.

Chairman.

177. (To *Sir C. L. Ryan*.) Will this page 268 be of much value to you in your examination of the Expense Accounts?—I think it will show a broad statement of facts, that so much stock is intended to be reduced or depleted either by depreciation or by depletion. I think that, generally speaking, depletion is really what is meant by this; and if we found that that sum was not depleted, that stock had been increased instead. I think we should be able to inform Parliament whether that was so or was not so, accepting, of course, the valuation as being correct, which we are bound to do.

178. Will you have any means, without further detail, of obtaining any check upon the valuation?—That would mean a considerable work.

179. Does not the whole value of this summary of the value of stock depend upon the nature of the valuation?—It does.

180. (To *Mr. Hamilton*.) Have the Treasury any view upon this subject of the value of stock taken?—No, I do not think so; I do not feel competent to express an opinion on the question of valuation.

Mr. Arthur O'Connor.

181. (To *Mr. Miller*.) I think you are Inspector of Dockyards' Expense Accounts?—Yes.

182. You

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Vote B.—continued.

Mr. Arthur O'Connor—continued.

182. You belong to the Department of the Controller of the Navy?—Yes.

183. Was the form of the Expense Accounts first drawn up by you?—No, it was drawn up in its present form at the time the Select Committee on Admiralty Moneys and Accounts was sitting in 1868.

184. Were you connected with that branch of work at the time?—No.

185. How long have you been connected with the inspection of the Dockyards' Expense Accounts?—About four years.

186. Did you come in in charge of the branch, or had you been in a subordinate position conversant with the details before?—I had had considerable experience in connection with dockyard business before I was appointed Inspector of Yard Accounts. I was employed for five years at Portsmouth Dockyard to examine the Admiralty charges in connection with the Indian troop ships.

187. Have you ever been in the Account Branch of the Admiralty itself?—I was in the Account Branch of the Transport Department for some years; before that I was for a time in the Accountant General's Department, for some time in the Ledger Branch, and before that in the Cash Account Branch.

188. So that you have had a miscellaneous experience in connection with the cash accounts and *matériel*?—I have served in a good many capacities in the Admiralty in connection with accounts.

189. That being so, will you tell me in simple language (not the language of departmental letters) what you think is the value of this Vote B.?—I think it is of considerable value, but I do not know how far I am justified in giving my opinion.

190. But I want your opinion because, as you have told us, you have been conversant not only with accounts, but with Expense Accounts?—I think this, that after Parliament has resolved that the sum of 2,600,000 *l.* shall be devoted to new construction, it is an advantage that the Admiralty should be bound by the understanding that the money will be devoted to the purpose intended by Parliament.

191. You told us that you did not draw up the form of the Expense Accounts?—No, I did not.

192. Did you draw up this form of Vote B.?—I was associated with other officers in drawing it up.

193. Officers of your own department, do you mean?—Yes, under the Controller of the Navy, and in association with the Financial Secretary. The Financial Secretary was the directing influence in the matter of the form of the Vote, and of the detailed statements attached thereto.

194. I should like to know why you have come here (I am sure it is very fortunate for us seeing your qualifications) to explain this Vote 0.60.

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Vote B.—continued.

Mr. Arthur O'Connor—continued.

to us?—I do not know at all. I received a summons from the Public Accounts Committee to attend here.

195. You were summoned by the Committee?—Yes.

196. The object of this Vote B. is, I suppose, to give a kind of financial forecast of what the work of shipbuilding, repairs, maintenance, &c., is to be during the financial year?—That is so.

197. Just as the Appropriation Account is the financial shadow of what has actually been done?—Exactly.

198. And the Appropriation Account will be really a comparison of the fact with the forecast shown in this Vote?—Yes; you mean the Expense Account.

199. The Expense Account practically is the Appropriation Account for this service?—Yes. If I may explain, we propose in the Expense Account to work up to the classification of the figures as it appears in the Estimates.

200. There was one expression which you used that I could not understand; you said that Vote 8 provides for additions to stock, and that this Vote provides for withdrawals from stock; would you kindly explain that a little more in detail?—I mean to say, if I may give an example, that you might include in Vote 8 a million of money to add to stock, and that million of money would be expended in adding to stock during the year. On the other hand, there might be withdrawals from stock to the extent of one million and a half. This Vote B. gives the allocation over the different services, &c., of that one million and a half as against the million added to stock, the difference being found by depletion.

201. Is that the column, "Stores for Ships and Coals for Steaming, &c.," at page 163; what would be the particular column which would show that?—If you will look at the left-hand side of page 162, under the head, "Naval Stores, &c., to be withdrawn from stock (net)," the two columns give the total value of stores that will be taken from stock; and then on the right-hand page, 163, the values of stores that will be issued for the various purposes described by the headings is given.

202. But I see that, mixed up with this *matériel*, are a good deal of wages, establishment, and incidental charges?—They are all stores to be issued in connection with these sub-divisions.

203. It is a mere apportionment of cash expenditure?—Yes, combined with issue of stores.

204. In order to prepare this Vote B., will you have an annual survey?—There is at the dockyards what is known as a continuous survey of stock going on. It is a very extensive matter to take a survey of the whole of the articles in stock in each dockyard, and must cost a considerable sum of money. Under the present regulations valuable articles of stock are surveyed once a year, and with regard to the remaining

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Vote B.—continued.

Mr. Arthur O'Connor—continued.

remaining articles the survey would come on to them once in three years.

205. But is not that rather to check the storekeepers, who have these things in charge?—Yes; to see that the quantity in stock corresponds with the quantity debited to the storekeepers.

206. It is a quantity survey?—Yes.

207. And acts as a check to the storekeepers?—Yes.

208. But, in regard to the form on this page 268, with your mere quantity stock-taking, your annual quantity stock-taking of the more valuable goods, and your triennial stock-taking of goods of less value, how can you get materials sufficiently definite to enable you to arrive with anything like reasonable approximation at such a sum as 2,600,000*l.*?—Because on the 31st March the whole of the storekeepers' ledgers at the dockyards are balanced, and those balances of materials in store are valued at the rate-book prices.

209. That is what I was going to ask you; we are now at the end of March; within a fortnight the whole of the business will have to be completed as regards, at any rate, the actual manipulation of the stores; the manipulation of the stores must, of course, end with the 31st of March?—Yes.

210. Then how soon are your books posted up and completed after that?—With regard to the process of balancing the storekeepers' ledgers, we have, I think, from 15,000 to 16,000 different descriptions of articles, and the process of balancing occupies some little time; then the valuation, of course, has to be pursued and thoroughly checked.

211. That is in addition; I am asking as to the time?—That valuation probably takes a month; but at all events the valuation of stock should reach the Admiralty by the end of June. The double valuation, at the rates governing on the 31st of March, and at the rates governing on the 1st of April, occupies some time.

212. When you have checked your quantity balance, your triennial survey of stock, do you maintain the same valuation from three years to three years?—No; the process is this: where stock is taken of any particular article any variation is cleared up.

Mr. Jackson.

213. Variation in quantities, do you mean?—Yes; and if there is a deficiency or a surplus, that deficiency or surplus would be valued, and would be shown as a loss or surplus in the Stock Valuation Account.

Mr. Arthur O'Connor.

214. Yes, but that is not answering my question; of course you write off something of that kind if you find that there is a difference between your actual balance and your book balance; but I am not asking about that; I am asking you about the valuation of the articles in stock; does

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Vote B.—continued.

Mr. Arthur O'Connor—continued.

that remain the same from three years to three years?—No. We have a rate-book which is based on contract prices, and also on the cost of manufactured articles in the dockyards. That rate-book stands for three years. The Accountant General prepares this rate-book, and once a year he issues to the yards a memorandum giving the alterations that are necessary in regard to rates.

215. You have, in fact, the same thing for the Navy as they have at Woolwich?—I think so.

216. As a matter of fact, did you have a complete survey started clear and complete valuation on the 1st of April 1888, in order to come to that sum of 2,663,143*l.*?—There was no complete survey, but there was a complete balancing of the storekeepers' ledgers and a complete valuation of those stores.

217. Was there a verification of the balances?—Not exactly; the annual valuation as irrespective of the verification; the verification goes on during the progress of the year.

218. The valuation which you speak of is a mere clerical business of account, calculation?—Yes.

219. Then you have no definite materials, no ascertained factors, from which to complete the value of stock on the 31st of March?—Merely the values of the balances appearing in the storekeepers' ledgers.

220. Those are merely account values?—Yes.

221. And not checked against the actual quantities in store?—No.

222. Then this 2,660,000*l.* is speculative?—It is speculative to a certain extent, inasmuch as we have not carried out a complete survey, which would be an impossibility so far as this valuation is concerned.

223. Then, starting with this as a basis, and having ascertained quantities to add and deduct, and ascertained amounts to add and deduct, would you not continue year after year a purely speculative matter with regard to the exact figures?—No, because as the period progresses the quantities of the articles are examined, and the ledgers corrected, so that everything must be surveyed once in three years.

224. What check is there upon your valuation?—The valuation is effected by the storekeeper.

225. I mean what extra-departmental check is there upon your valuation of stores; what check is there, or can there be, outside the Admiralty authorities?—The test check of the Comptroller and Auditor General.

226. That is a test check of the quantities, is it not?—And of values.

227. How can the Comptroller and Auditor General test the values?—His officers check the valuations of the several quantities by the rate-book; his officers would see that the rates were accurate, and that the valuations were accurate, in test cases.

228. It is proposed that he should do that; that he should check the quantity and valuation?

—The

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Vote B.—*continued.*Mr. Arthur O'Connor—*continued.*

—The system is in operation at the present moment. I should like to explain, if I may, that we have an independent check in the dockyards, that is to say, inside the Admiralty. The storekeeper makes all the valuations, but those valuations are checked in the Expense Accounts Office, which is independent of the storekeeper.

229. But that is inside the Admiralty. Supposing that you were to find that your valuation is inconveniently high for the purposes of the First Lord of the Admiralty, what is there to prevent a little reduction in the scale of valuation, so as to reduce the total into presentable figures?—I find great difficulty in comprehending that such a situation can be likely to occur, because I believe it would be practically an impossibility; so many persons would be involved.

230. Could that not be done by a reduction of 10 or 15 per cent.?—Nothing of the sort could be done. In the first place the Accountant General would have to authorise that reduction from the rates he has communicated to the dockyards.

231. Clearly it would have to be done through the whole hierarchy of administration, but there would be no difficulty about it. I suppose?—I think there would be great difficulty.

232. You are not personally concerned with the Naval Stores?—No, not with the stores; I am with the valuations.

233. You spoke of charging the expense of such matters as opening dock gates; if you can apportion that expense to one ship entirely, or as between two ships, you do so, I presume?—We do so.

234. Would you apportion as between ships the expense of such trifling services as sweeping the steps of the docks?—We should at the end of the year, in the total; of course that is impossible to distribute at the time.

235. But surely the sweeping of the steps, and that sort of thing, would have to be done, whether there was a ship actually being dealt with or not?—So it would in a private yard; yet, I presume that the contractor would make allowance for that sort of thing.

236. Are there a great many expenses of that sort?—Yes, a great number.

237. And the apportionment is a matter of discretion, is it not?—The apportionment is a matter that follows the scheme I was speaking about just now, in which each item is divided in an arbitrary manner as between ship work and national work, but excepting as regards that initial distribution the whole of the incidental expenditure is distributed over ships *pro rata* to the direct expenditure.

238. Is there no financial authority within the Admiralty who could direct that certain charges should go down to establishment charges as apportioned rather than to ships?—No, that would be strictly at variance with the instructions; and the Accounts Department is sufficiently independent to resist any attempt of that

0.60.

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Vote B.—*continued.*Mr. Arthur O'Connor—*continued.*

description. If there were any attempt at varying the procedure it would be reported at once, and would have to be dealt with by the higher authorities.

239. It would not be possible then to put down the expense of opening the dock gates to establishment charges rather than to a particular ship?—Under the arrangements now in force in the dockyards in regard to bringing expenditure into account, I do not say that it is absolutely impossible, but I think the chances of manipulation are reduced to a minimum.

240. It cannot be done under authority?—At some stage somebody must be trusted. We must either trust our recorders who pick up the time from the workmen, or we must trust the official who says that such and such stores are required for such and such a ship.

241. You said that the value of old stores on the balance of old material, had been reduced you thought to a minimum?—I think that the causes which are likely to lead to stores becoming obsolete, are reduced to a minimum by the system at present in force.

242. Therefore each year there is not likely to be any accumulation?—I think not. Of course circumstances change so rapidly now in connection with naval architecture, that some stores must in the ordinary course become obsolete; but, I think, that as soon as it is recognised that they are obsolete, and cannot be made use of, steps are taken to dispose of them.

243. When stores are condemned or recognised as obsolete, their value falls very much, does it not?—Yes, it falls considerably. A copper article might be of considerable value as a new article, but if condemned it will not be worth much as old copper.

244. Does not the classification depend upon the Admiralty authorities?—Yes. There is a regular process of inspection of all stores. A storekeeper will not receive any stores into his storehouse whether from a contractor, or from ships, without inspection.

245. Then this valuation of stores depends upon the classification?—No; the classification is before the store comes into stock, if I may so describe it.

246. I mean the classification as between effective and obsolete stores?—That is before they come into stock; the ship that returns the stores would only be credited with the estimated value.

247. When you have stores in the Naval establishments, may not some of them be classed as obsolete; cannot they be condemned as obsolete?—That is so.

248. When they are condemned as obsolete, does not their value as shown in your Estimates, or your valuation lists, or your stock takings, diminish?—It does.

249. If then you condemn a number of stores, or class them as obsolete, does not that diminish the amount of your value of stock?—It would.

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250. And

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250. And it depends upon the Admiralty authorities how the stores shall be classed, whether as obsolete or otherwise?—Upon the authorities in the Dockyards.

251. Have not the Admiralty authorities practically then power to control the figures in this valuation return?—That would come to light in the Expense Account. We have at page 116 of the Expense Account for 1886-87, an "Appreciation and Depreciation Account" which shows the increase or decrease in value of the stock upon the annual re-valuation; increase or depreciation, in consequence of variation in prices; the value of stores found surplus or deficient on survey; and reductions in the value of materials on survey and losses by sale, or *vice versa*.

252. I am aware of that; but that would not appear in this return, would it?—No; but if any large depreciation, from whatever cause, should take place which would affect the figures in this return it must appear in the Expense Accounts when they were published.

253. But now, inasmuch as your old material has practically been reduced to a minimum, how is it that these totals as between the years 1888, 1889, and 1890, go down from 2,660,000 £ to 2,360,000 £, and then to 2,350,000 £?—As regards the large difference between the 2,663,000 £ and the 2,362,000 £, I believe that is largely owing to stock having been withdrawn considerably in excess of the replenishments. That is where the difference between Vote B. and Vote 8 comes in.

254. That is in the present financial year?—Yes, that is in the present financial year. The decrease, as between 1888-89 and 1889-90, is perhaps inconsiderable.

255. But still how do you account for it?—I have no means of verifying the figures quoted as estimated expenditure for ships or yard services; the estimate is prepared by the Director of Stores and the Director of Dockyards.

256. And those departments have nothing to say to the Expense Accounts?—Nothing.

257. Or rather the Expense Accounts have nothing to say to them?—No, they are independent.

Mr. Lane.

258. I understand that you consider this new departure in the system of keeping Navy Accounts a more effective method of checking the expenditure than existed before?—I do. I believe it will enable Parliament more accurately to contrast the expenditure with the estimate.

259. That being so, you must attach particular importance to this statement on page 268, inasmuch as you bind your successors to come for this sum which you now certify to be actually in hand?—Yes. This statement has appeared in the Navy Estimates this year for the first time; I believe it is not considered to be absolutely perfect, and it may be more perfect next year.

NAVY ESTIMATES, 1889-90.

Vote B.—continued.

Mr. Lane—continued.

260. I understand from your previous answers that this first sum of 2,663,143 £. has been calculated altogether from the storekeepers' ledgers in the different dockyards?—That is so.

261. May I ask if you can tell the Committee whether the sums in the storekeepers' ledgers are estimated at the cost of the raw materials which constitute the stores, or are they estimated as manufactured stores including the price of labour?—They are estimated at the rate-book prices of the year, and in regard to the articles made in the dockyards, which come to a considerable sum, at the price of the raw material, plus the labour, &c.

262. That is in this first item?—Yes.

263. Then may I ask, if that is so, how it is that this second item of 90,426 £. for labour expended upon those stores has been calculated?—The value of the stock on the 1st of April 1888 is shown as 2,663,000 £.; the articles purchased amounted to 1,127,432 £.; that is articles purchased from contractors, including raw material that would be manufactured into shaped articles; but to manufacture that raw material into shaped articles 90,426 £. had to be spent; so that the value of the receipts in stock amounted to 1,127,000 £. purchased, plus 73,000 £. from receipts from other sources, and of 90,426 £. for labour put into the values of other stores, making a total, including that labour, of additions to stock during the year of 1,291,747 £. The estimated values of stores that will be issued to ships and yard services would include the labour, because labour is included in the rate-book prices at which the estimated issues are valued.

264. Does any official outside of the dockyards, and outside of the Comptroller and Auditor General's Department, ever check the quantities of the stores in stock, and compare them with the storekeepers' ledgers?—No.

265. You actually take the statements given to you by the officials who would, in the case of any deficiency, be responsible for that deficiency as a final check upon the quantity of stores in stock?—That was the practice up to the beginning of this current year. For some time previously to that the ledgers underwent an independent though unsatisfactory check, but in 1886 the check on the ledgers was transferred to the storekeeper; he was made responsible for the accuracy of his own ledgers. Last year a stock valuation account was instituted; and in this forthcoming year it has been decided, on the recommendation of a Committee which consists of Mr. Mills, of the Treasury, and Mr. Waterhouse, of the firm of Price, Waterhouse & Co., to establish value ledgers at the dockyards. These value ledgers will be kept in the Expense Accounts Office as a check upon the quantity ledgers which are kept by the storekeepers. The Expense Accounts Office will post the values, and the storekeeper the quantities of stores received or issued; so that at the close

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NAVY ESTIMATES, 1889-90.

Vote B.—continued.

Mr. Lane—continued.

of the year, the quarter, or at any time balances may be struck, and the two balances, if the accounts are accurate, should correspond; that is to say that the quantities converted into values at the rate-book prices would be contrasted with the values appearing on the value ledger.

266. Would those two different sets of books, one representing the quantities of stores and the other representing the values of stores, be in the charge of and kept by the individual who is responsible for the actual stores themselves?—No, the storekeeper is responsible for the quantity ledgers; he has the custody of the stores.

267. Who will be the officer in charge of the set of books recording the actual values?—The officer in charge of the Expense Accounts, who is entirely independent of the storekeeper.

268. Still he will be a dockyard official, will he?—Yes; he will still be a dockyard official; but I think I am right in saying that these ledgers will also be subject to the test-check and review of the Comptroller and Auditor General.

269. Is it intended in the institution of this set of accounts for determining values as well as quantities, to employ experts?—For checking, do you mean?

270. For instituting the accounts at the start?—Mr. Waterhouse, who is on this Committee, is a very well known accountant in the City of London.

271. Is he an expert in naval stores?—I believe he is an expert in storekeeping accounts.

272. Then there will be no verification whatever of these accounts except this second set of books which you state is determined upon; there will be no verification like that of inspection by an expert?—Only the test check of the Comptroller and Auditor General, which is entirely outside the Admiralty.

273. I think you have stated that the officers connected with the Comptroller and Auditor General's Department only inspect the books; they cannot be supposed, of course, to understand the values of the articles?—No.

274. Then that is practically no check?—The check is upon the values of the stores, i.e., that the stores are valued at the rate-book prices, which represent either the cost or the current market value of them.

275. (To Sir C. L. Ryan.) After the statement which you have heard from Mr. Miller do you think that you could at any subsequent period make a decided stand in reference to an excess upon the Vote, or other difficulty, upon the basis of the figures set forth in this statement of values of the stores in hand on 1st of April 1889?—If I understand the question it means this: could I

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Vote B.—continued.

Mr. Lane—continued.

certify to Parliament that upon the basis shown here the depletion of stock had been in excess of the amount that was anticipated, and that, consequently, a larger sum had been spent for stores within the year than the statement showed, and Vote B showed. That is the question, is it not?

276. Yes?—My answer to that is, that I can do that upon the books. I can test the accuracy of a certain part of the foundation of those books, namely, the accuracy of the valuations given to stores both by the storekeeper and also in the Expense Account Branch in the new stock valuation returns by the rate-book prices. I must assume that the rate-book prices are the correct prices for the purpose. I can check any calculations which are only arithmetical calculations. I must assume as the basis that the stores have been employed in the ships in which they are stated to have been employed. Assuming the correctness of the statements made by the recorders of time as to labour, and by the professional officers as to the employment of stores, it is obvious that there comes to be a point beyond which no auditor can go. The auditor must begin by taking some statement of a professional man, and following it into the books; the auditor can then check the books; he can test the accuracy of the details of those books; he can certify to the results shown in those books. Beyond that he cannot go.

Chairman.

277. In the beginning of your answer you used the expression that you could test whether the amount proposed to be spent on stores had been exceeded; did you not mean the amount of stores used up within the year?—I meant that. In this case, of course, I took the word "expended" as the word is used at the beginning of Vote B.

278. You mean the amount of stores expended in the year?—Yes, in dealing with Vote B, always.

Mr. Lane.

279. Your answer is that taking it for granted that this valuation has been properly arrived at, from its start on the 1st of April 1889, you could detect anything that would go wrong in connection with these accounts; but that if at any subsequent period on an investigation it were to be ascertained that this stock in hand according to this statement did not actually exist, you would not then be expected to go behind these figures to account for the loss?—It is distinctly not my duty to verify the stock. The Treasury Minute dealing with the audit of stores has laid it down that the Comptroller and Auditor General is not to take stock, and he is not to be responsible for ascertaining that the stock which is shown by the books actually is there; therefore, he must assume that the stock is there and deal with the books as

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[Continued.]

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Vote B.—continued.

Mr. Lane—continued.

as the records of the stock. He can test, of course, the storekeeper's ledger and the valuation shown by the storekeeper's ledger, and see that that valuation brought out the results in any particular instances that might be taken; he could take a certain article; say there are 100 lanterns, and that those lanterns are at the rate-book price, 3 s. 4 d. a piece; it is simply an arithmetical calculation to find out whether that value comes out correct. That, of course, he can do.

280. The witness's statement that the officers from your Department check these stores, merely refers, I understand, to checking the actual figures in the accounts which are submitted; do I rightly understand that that is the nature of the check?—I do not quite understand the honourable Member. I think that we check the whole of the results as shown by the accounts and figures before us, and that if the accounts and figures do not bring out the results in detail, as has been shown before, we shall point that out so that Parliament will know, so far as it can know, short of a special joint stock-taking, that the results do correspond with the statements.

Chairman.

281. But do you go into the question at all whether the 3 s. 4 d. for a lantern is a proper valuation or not?—No, we take it by the rate-book price.

Mr. Lane.

282. You simply take what you find in the storekeeper's ledgers?—Yes. It is only fair to say that in the recent visit which I have paid, amongst other dockyards, to Portsmouth, where this new Stock Valuation Account is in operation, I did for my own satisfaction follow the thing out to its full results. I selected certain articles. I called for the storekeeper's ledger; I saw the quantity which there should be in the storekeeper's ledger; I saw the quantity which there should be by the value in the Stock Valuation Account; I went to the storehouse myself and ascertained with my own eyes whether or not that stock did correspond with what it should correspond with. That was purely an extra official act on my part for which I had no authority, but I wanted to test the value of this new Stock Valuation Account.

Mr. Arthur O'Connor.

283. Had you authority, as Comptroller and Auditor General, to do that?—No; I did it on my own authority.

284. Will you kindly tell me what is the meaning of this: "My Lords prefer that the powers under which you will apply your audit to the Expense Account of the Navy and to the Manufacturing Accounts of the Army and Navy should be derived from Parliament itself. They will accordingly take an early opportunity of

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Vote B.—continued.

Mr. Arthur O'Connor—continued.

introducing a Bill, which will not only empower and direct you to examine the accounts in question in such manner and to such extent as may be laid down from time to time by the Treasury, and to report annually to Parliament the results of such examination, but which will also require the Departments to prepare and render these accounts to you every year. In the meantime, however, they would regret that the useful work which you have begun should be suspended; and they would be glad if some arrangement could be made for a continuance of your examination of the Expense Accounts in such form as you may find practicable, assuring you that they will approve the staff which you may show to be necessary for your purposes." Will you kindly explain to the Committee what that means by stating what it is that you are able to do now, and what it is that the Treasury propose to enable you to do further?—That paragraph refers in no way to the Store Accounts, with which I was at the moment dealing; it entirely relates to the Expense Accounts which have been examined by the Comptroller and Auditor General so as to make a preliminary report upon them in regard more to the form of the account than anything else. Last year the Treasury were anxious, as I understand, that there should be no breach of continuity, and that, if possible, a report should be made this year also upon the Expense Accounts; of course, again, only rather in a preliminary shape, because no staff is yet allotted for doing this work; therefore it can only be a very limited field upon which a report could be made upon the Expense Accounts this year. Next year I shall be in a better position than I was in last year; there will be the Estimates which contain the Programme; and when we come to the year after that there will be this Vote B. to go upon.

285. Would you be able to check this Vote B. now without a Treasury Minute or Act of Parliament?—No, not without some special arrangement.

286. And the Treasury propose to do it by Act of Parliament?—The Treasury think, and I may venture to suggest that I thought so too, that it was so large a work and so formal an act that it would be better done by the Comptroller and Auditor General being authorised to do it as an officer of Parliament, rather than by any arrangement between the Departments, or by making use of the 33rd Section of the Exchequer and Audit Departments Act, which I did not think was applicable.

Chairman.

287. (To Mr. Miller.) Have you any observation which you wish to make on what Sir Charles Ryan has just said?—I merely wish to remark that in my remarks with regard to the process of stock-taking at the dockyards, I have simply explained the process so far as it affects

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Vote B.—continued.

Chairman—continued.

affects the Expense Accounts. With regard to the actual process of taking stock at the dockyards, neither I nor the Expense Accounts officers have anything to do. We have simply to record results.

Mr. Wodehouse.

288. Has this new form of Vote B added very largely to the labour of your staff in the preparation of the Estimates?—It has thrown a considerable amount of work on my staff, and on the staff of the Director of Dockyards. I think that having once got the Estimates upon the new form we shall be able to carry on in future without much inconvenience.

Chairman.

289. You had, I suppose, to do something corresponding to this for departmental use before?—Yes, we had; but if you notice the bulk of the Estimates has very much increased; and the change in the form, has, of course, occasioned a considerable amount of work, because we have had to insert additional columns of figures.

290. You did not, I think, quite understand my question, which was this: you had to prepare something corresponding to this for departmental use, had you not, before any of this information was communicated to Parliament; before last year, that is to say?—That had to be prepared by the Director of Dockyards chiefly; but this distribution of the incidental charges is new.

Mr. Wodehouse.

291. The bulk of the volume has been nearly doubled, I think?—That has been chiefly on account of the increased information under the heads of the different ships, shown on page 172, &c. It is thought to be more useful to honourable Members in the examination of the proposals.

292. Then in preparing the Estimates in the new form, you have not, I understand, been obliged to add to your staff?—No, we have not added to the staff at all. There were many changes in the Estimates this year before they were finally decided on, and the consequence is that we have had to give a considerable amount of extra attendance. That is all.

293. But you do not apprehend any great increase of labour in future years?—I do not, at any rate, so far as my department is concerned.

294. And when you express the opinion that Parliamentary control is materially strengthened by the new form, do you mean also that the latitude of discretion allowed to the Admiralty in its expenditure is proportionately diminished?—Yes; the latitude of discretion allowed to the Admiralty is proportionately diminished. Instead of the Admiralty being enabled to transfer, for example, a saving on New Construction to Repairs, that would be henceforth impossible without Treasury sanction.

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Vote B.—continued.

Mr. Barran.

295. I should like to ask a question as to the duty of the auditors. I think you have made it very clear that it is not the duty of the auditors to examine or report on the stock; their duty, I take it from what you have said, is to verify the statements which are presented to them from the different departments?—Yes; we assume as regards the stores that the transactions recorded on the issue and return notes correctly represent the facts, and we work those facts into the accounts from that point of view.

296. May I ask whether you consider that the checks which are enforced by the Controller of the Navy and the different departments, are sufficient to guarantee the Government against any unfair or unjust manipulation of the accounts?—I think they are. I think that at the present time the accounts are so independent of the officers who employ the labour and use the materials, that they represent as accurately as they possibly can the actual cost of the several transactions.

297. And would you consider it quite a sufficient guarantee in the future if the same line which has been adopted by Sir Charles Ryan of taking indiscriminately some samples of stock, and the material in the different departments, was continued by Sir Charles Ryan and those who are under his control?—I do not doubt at all that an independent stocktaking, if it could be arranged by the Comptroller and Auditor General, would impose a most valuable test.

298. I do not mean an independent stocktaking; I mean an independent examination promiscuously of certain things in store from time to time?—From a value point of view?

299. From a value point of view, and also in their relation to their being obsolete or otherwise?—I do not know how far that check could be applied, because the question of a store becoming obsolete is one almost of a professional character. A store might appear to be perfectly useful, and to be a desirable article to keep; but still it might be known to professional officers conversant with naval construction that it would never be wanted.

300. But is it not reasonable to suppose that if Sir Charles Ryan or his representatives went down and examined certain things quite promiscuously he would get from his departments an opinion as to whether the things exhibited were obsolete or otherwise. I merely put that question because it has been suggested that the Admiralty might either depreciate or appreciate the quantity and quality of the store for purposes which might be best known to themselves?—I consider that as the Comptroller and Auditor General will exercise complete review over these Expense Accounts, and as any transactions of that sort must be reflected in the Expense Accounts, his review would extend thereto, and no doubt in his review he would bring to notice cases where he considered the procedure to be anything unusual; cases, that is to say, where the alterations

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Vote B.—continued.

Mr. Barran—continued.

in values were unusual in extent, or which had the appearance of being in any way irregular.

301. You think that check sufficient?—I think that check sufficient. I doubt the possibility of any check upon the condition of the store as between an obsolete store and one that is not. Take boilers, for instance. Some time ago a large number of boilers were made for store; many of them have never been used; they have depreciated in value and are used for other purposes.

302. There is a question which I wished to put to you with regard to the charge which is made by the Department for conducting the business of India and the Colonies. My question has reference more particularly to articles supplied by contract which are verified by the English Government. Is there any charge made for verifying those things by the Government which goes towards paying the departmental expenses?—Yes, in this way: we do a considerable amount of work at Portsmouth, for instance, for the Indian Government, and work is done in the dockyards in connection with the Colonies, &c., &c. A percentage addition of 10 in the case of India, and 20 in the case of the Colonies, is added to the charges for labour and materials.

303. To the net charges?—To the gross charges.

304. What are the gross charges?—The labour and issues, plus the returns; we charge a percentage on the gross of 10 per cent. in the case of India, and 20 per cent. in the case of the Colonies.

305. But is that 10 per cent. a percentage on the net cost?—No, it is charged on the labour, and on the value of the issues, and on the value of the returns.

306. But issues, and returns, and labour are net cost, are they not?—Take the charges to India. If, for instance, 100 £ in labour was done for India, and 100 £ materials issued, and India returns 10 £ of material, we should charge a percentage on 210 £, not on 190 £.

307. But how do you make that 210 £?—£. 100 for labour, 100 £. for issues of materials, and 10 £. for the values of materials returned. If we are repairing a ship for India, we have a considerable quantity of old materials come back, so that we charge a percentage on the 210 £.

308. Is that a sufficient percentage to cover the expenses?—As the incidental expenses are apportioned to ships, it is not; but the 10 per cent. was agreed to at a conference which took place between representatives of the Indian Government and the Admiralty some years ago, at which it was agreed that this 10 per cent. should be charged on all supplies from the Admiralty to India, and on the other hand, from India to the Admiralty.

309. And that is an understanding, I suppose, that can only be rearranged by the Government of the day and with the consent of India?—I presume by mutual consent.

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Vote B.—continued.

Mr. Barran—continued.

310. May I ask whether it is your opinion that this 10 per cent. does not nearly cover the cost?—The idea was that the 10 per cent. covered the extra cost that the Admiralty was put to by doing work for India; that is, for example, that there are salaries going on in the dockyards, which would be paid whether work was done for India or not. Other items of expense like that were excluded from calculations.

311. I suppose you would not like to do business on your own account on such terms, would you?—Not without a corresponding advantage.

Sir Walter Barttelot.

312. I should just like to ask you one question which is rather an important one for the House of Commons. I want to know whether, in making your estimate for ship-building, those ships which are to be completed in one year, you make a full estimate for the whole stores and guns, and everything that appertains to that ship?—Not guns.

313. That is to say, that in none of these estimates have we an estimate for the guns?—If you would not mind referring to page 177, on the right-hand side, you will see in italics on the fly leaf the estimated cost of guns, on the second column from the right; it is headed "Add estimated cost of guns;" that is only put in there by way of note; it is not included in Vote B. in any way.

314. But what we want to know is this: you make a contract, we will say with A. or B. at some particular place to build a ship at Newcastle, and you provide what stores, and they provide what stores; do you provide the guns?—The guns would not be included in Vote B. If you would turn to page 220 in the case of the "Victoria," which has been built by contract, you will see the same remark there as regards the guns.

315. In making that estimate for guns, are those supposed to be Woolwich guns or guns given out in the trade?—I have no means of saying anything about that estimate; it was, I believe, furnished by the Director of Naval Ordnance.

316. But as I understood from the statement of the First Lord of the Admiralty, when a ship is now laid down it is to be laid down, and the estimate is to be made for that ship complete, and the ship cannot be complete without all its fighting apparatus about it; and what we want to know is what that ship is to cost, including all its fighting apparatus and everything else?—I could not give you any information upon that point.

317. Then this Vote B. would in no way show us what that ship is to cost?—I can say that it does not include guns; but I believe it includes everything else; it does not include guns and ammunition;

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Sir Walter Barttelot—continued.

ammunition; guns and ammunition are provided for under Vote 9 no doubt.

Chairman.

318. It does not include, but it shows in the columns you have drawn attention to what the total estimated cost of the ship will be, including guns?—Yes.

319. That is merely as a matter of information and note?—Yes.

Sir Walter Barttelot.

320. Then, with regard to the boilers, how do you estimate for your boilers, because they are manufactured outside?—The estimated expenditure is inserted by the Director of Dockyards.

321. All I am endeavouring to ascertain is this: how we, without going into too many details, can come to the cost of each ship, because now in the present year there are to be a certain number of ships absolutely completed, and, as I understand, the orders are given that those ships are to be completed with every requisite that is necessary; and what we want to see is what the cost of those ships is supposed to be; then we want to see when we come to pay the bill, whether that cost has been exceeded by the dockyards?—The details in these Estimates simply give the cost of the ship as regards Vote B. Then, in addition to that, there are columns in italics by way of note, showing the estimated cost of the guns and ordnance stores, and the estimated cost of the ship. That last column of all in italics, on the fly-leaf of page 177, "Total estimated cost of ship (as revised), including guns," includes everything except, of course, victualling stores, and articles of that description.

322. Can you answer one other question; how does the cost of a ship to be built by contract in the case of two ships being precisely of the same class and size, with the dockyard price?—I have not looked into that question.

323. You have seen, perhaps, in the newspapers that there have been some comparisons; there was an article in the "Times" about it two or three days ago?—Yes. One of the objects of apportioning the incidental charges in the way I have described has been to so add to the direct charges of labour and materials a fair proportion of incidental expenditure at the dockyards (but excluding anything in the shape of interest or matters connected with capital), as to afford a means of comparison between the cost of producing a ship in the dockyards and the cost of producing a ship by contract; but then, of course, for comparison ships must be of identical type.

324. There was one statement which you made, on which I should like to ask you one question; that was, as to the estimated cost of labour used in manufacturing articles in the

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Sir Walter Barttelot—continued.

dockyards. As I understand, what you stated was this: that you charged the labour in one place, and you charged the article in another, and then you deducted what labour you supposed had been used for making and manufacturing that article?—Yes. Otherwise, as Vote B. is a statement of estimated expenditure, unless we did that we should get the labour in twice; it would be in the prices of the stores, and as an expenditure under the head of *personnel*.

325. I did not quite understand you when you talked of the cost of the hulls, which, I understand, are made out of the dockyards, and then fitted up in the dockyards; do you buy hulls out of the dockyards?—Yes; if I may refer to Section 3, on page 81, you will observe Sub-head C., the heading, "Hulls of ships building by contract."

326. Then I was quite wrong; it was not hulls built out of the dockyards, but hulls built in the dockyards and fitted up afterwards?—Hulls are built out of the dockyards. For instance, the "Victoria" was built by Armstrong, and the engines elsewhere.

327. Then I was right; it was hulls built out of dockyards?—Yes; the hulls were built out of the dockyards and completed out of the other sub-head.

Chairman.

328. Arising out of the question which the honourable Baronet asked you just now about the guns and armaments, it is proposed now to give Parliament very full information with respect to the shipbuilding programme of the year and all the details of expenditure, both of money and stores coming within the year on that programme; but I think it is not proposed, is it, to give any similar information with respect to Vote 9 with regard to the guns and armaments of the ship?—I could not speak with any authority on that point, except that I believe that any further information does not appear here.

329. (To Sir C. L. Ryan.) Are you aware whether any information of that character is proposed to be given by the War Office?—I think, if I were to express myself generally, that the War Office is very much behind the Admiralty in the information which they give to Parliament; they publish no programme showing distinctly what they are going to do with the money that is granted to them, and therefore the Manufacturing Accounts, which I shall have to examine hereafter in the same way that I shall have to examine the Navy Expense Accounts, will have no such basis upon which I could report to Parliament. I shall not be able to tell Parliament that the large Ordnance Vote of 1,385,000*l.* was to furnish so many guns or rifles, so much of this, and so much of that; I can give no information except as to the facts and not as to what has been proposed, because there is no contrast between promise and performance in the Army Estimates

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Chairman—continued.

at all corresponding to what there is in the Navy Estimates.

330. That affects the case of any particular ship, of which we have all the other particulars in Vote B.; we have no particulars corresponding to those we get with respect to shipbuilding and stores as respects the armaments?—So far as I know there is no paper laid before Parliament showing clearly what the Admiralty are to get for their money. I am drawing a distinction here between what is obtained by contract and what is obtained from Woolwich as a manufacturer for the Navy. The arrangement at present under the Ordnance Vote is that only a nominal sum is taken, and the Ordnance Vote is fed by advances from the Navy Votes. At present I have no means of seeing that the Navy receives what they anticipated in satisfaction of the advances which they make to the War Office for the purposes of manufacturing guns.

331. The Admiralty gets, therefore, far more particulars in the case of a gun that is obtained by contract from a private firm, than it does in the case of guns manufactured at Woolwich?—I do not know exactly what are the arrangements between the Departments, as to how far the Admiralty furnishes the War Office with the programme which the War Office undertakes to fulfil.

332. But you get, at all events, more particulars in the case of contracts?—The contracts are open to me, no doubt.

Sir Walter Barttelot.

333. As I understand you, you would see no reason why in the commencement of every year a programme should not be made out of the guns that are being made and manufactured at Woolwich for the Army and for the Navy, so that we might know during the course of that year the number of guns that Woolwich would be able to turn out, and the cost; and the same with Enfield with regard to rifles, and especially in the present day with regard to the new magazine rifle; and also at Birmingham?—I assume that

NAVY ESTIMATES, 1889-90.

Vote B.—continued.

Sir Walter Barttelot—continued.

before the War Office place their Estimates before Parliament they base it upon something they are going to do, that they know themselves what they contemplate employing their labour and materials upon, and that, therefore, they would be in a position, if they thought it desirable to give that information; but, at present, it is not given.

Chairman.

334. After hearing the evidence of Mr. Miller which has been given to-day, would you be so good as to state to the Committee your own opinion generally as to the value to Parliament of the change and of the form of Vote B.?—My general impression in regard to Vote B. is that it will prove a valuable aid in enabling the Comptroller and Auditor General to follow in the Expense Accounts the detailed programme there given; that this detailed programme, receiving as it now will the authoritative sanction of Parliament, will afford a valuable check in insuring that the expenditure is actually carried out in conformity with the intention of Parliament as shown in the various details; that although the sanction of Parliament itself will not be required for anything beyond the total amount shown in Vote B., and although the sanction of the Treasury will not be required for anything except under the various sub-heads under which the Vote is afterwards appropriated, yet inasmuch as the Expense Accounts will hereafter be audited by the Comptroller and Auditor General, and, as I hope, under the authority of an Act of Parliament, that examination so given will follow the details shown in Vote B. in the Expense Accounts with regard to each ship, and will afford, I think, a valuable security to Parliament that the money is really appropriated for the purposes for which it was intended, and that value will be received in the shape of ships or work done at the dockyards for the Cash Votes included in the Estimates, and dealt with in the Appropriation Accounts.

[The Witnesses withdrew.]

Wednesday, 27th March 1889.

MEMBERS PRESENT :

Mr. Barran.
Sir Walter Barttelot.
Mr. Sydney Buxton.
Mr. Jackson.
Sir Ughtred Kay-Shuttleworth.
Mr. Lane.

Sir John Lubbock.
Mr. Arthur O'Connor.
Mr. Salt.
Sir Richard Temple.
Mr. Wodehouse.

SIR UGHTRED KAY-SHUTTLEWORTH, BART., IN THE CHAIR.

MR. EDWARD W. HAMILTON, C.B., and SIR CHARLES LISTER RYAN, K.C.B., called in; and further Examined.

NAVY ESTIMATES FOR THE YEAR 1889-90.

On VOTE B.

Chairman.

335. (To Sir C. L. Ryan.) You have kindly prepared a Memorandum setting forth the various steps by means of which the Navy Expense Accounts and the Army Manufacturing Accounts have been brought under the notice of the Public Accounts Committee and yourself; will you put that in?—Yes (*handing in the same*).

336. I believe you also have an estimate of the cost of the audit of those two Accounts; will you hand that in?—Yes (*handing in the same*).

337. I see that in the Treasury Minute, on page 16, the Treasury announce that they prefer that the power under which you will apply your audit to the Expense Accounts of the Navy and to the Manufacturing Accounts of the Army should be derived from Parliament itself?—Yes.

338. With that view they have undertaken to introduce a Bill?—I understand they will introduce a Bill relating to it, or insert a clause in some Omnibus Bill for the purpose.

339. In the meanwhile they have asked you to continue your examination of the Expense Accounts in such form as you may find practicable?—Yes.

340. And they assure you that they will approve the staff which you may show to be necessary for your purposes?—They have approved the staff which I submitted to them as being in my judgment necessary for the purpose.

341. Can you inform the Committee what addition to your establishment has been rendered necessary, not only by the change of this year, but by the previous changes bringing the Navy Expense Accounts and the Army Manufacturing Accounts under your notice?—The previous changes did not mean any addition to the establishment of my office, except the Store Accounts, 0.60.

Chairman—continued.

which I presume your question does not relate to. In connection with the Expense Accounts, no expenditure has hitherto been incurred by the Exchequer and Audit Department. Certain work has been done, but it has been done by the existing staff and without further expenditure; but that work was of a very minor character, so to speak, rather relating to the form of the account than involving any detailed examination of it. It could not be called in any real sense of the word an audit of the Expense Accounts. There has, therefore, been, up to this time, no real audit of the Expense Accounts, and consequently no expenditure up to this time. I have here the expenditure that will take place hereafter, commencing from the commencement of this next financial year as submitted to the Treasury. I have divided it for the purpose between the Army and Navy; that is to say the amount that will be caused by the Navy Expense Accounts, and the amount that will be caused by the Army Manufacturing Accounts. I do not know whether the Committee would care about having the details, but I may say, shortly, that it implies the addition of 16 Lower Division Clerks, and an allowance for travelling, and the total in respect of the Navy Expense Account is 2,410 l. For the Army there will be no necessity for any residing at Woolwich (which is the main site of the manufacturing operations) as there will be at Portsmouth, Plymouth, and Chatham in the case of the Navy, and therefore the increased expenditure is considerably less. There will be five Lower Division Clerks and allowance for travelling, making altogether 1,030 l. The two together give a total cost of 3,440 l., which may be taken to be the additional cost to my office for this purpose.

342. Although the examination of the Expense Accounts

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27 March 1889.]

Mr. HAMILTON, C.B. and Sir C. L. RYAN, K.C.B.

[Continued.]

NAVY ESTIMATES, 1889-90.

Vote B.—continued.

Chairman—continued.

Accounts such as you have carried on hitherto has not necessitated any increase in your staff, I believe it is the fact that if you had made a thorough examination of the Expense Accounts, even although there had been no such Vote as Vote B., you would still have required this addition to your staff, considering also what you have to do with respect to the Manufacturing Accounts of the Army?—I think that if there had been no Vote B. whatever, the whole staff here required would have been necessitated by the proposals as to the addition to the Navy specified under the scheme now before the House, and by the new form of the Ordnance Vote as passed by the House last year. That form was not specially submitted to this Committee, but it is a totally new form, and it involves really an examination of the Manufacturing Accounts, if I am able to certify any longer to the Navy Cash Appropriation Account.

343. Under the new Bill as to the Naval Programme, I understand you will be required to make an annual report?—The Government have been kind enough to communicate to me such part of it as will relate to my duties; and it is clearly contemplated therein that I shall have to make a report to the House upon the new Programme.

Mr. Salt.

344. In what way will you have to report with regard to the new Programme?—There is a clause in the Bill which will be brought in when the Resolutions are passed, which appropriates the money to specific purposes of building these new ships. The only way in which that can be followed or that it can be ascertained that the money is spent for those ships, is by following the expenditure through the Expense Accounts, and therefore the examination of the Expense Accounts is, though not in terms set forth in the Bill, practically involved in that Bill.

345. And there will be no power of transferring money voted for that particular purpose from one class of expenditure to another?—The Bill will forbid the transfer of money voted for the particular class of ships laid down in that Bill to other ships in another Programme. The particular expenditure upon the particular ships prescribed by that Bill will have to be followed through the Expense Accounts, and to do that involves an examination of those Accounts. I could not present a report to Parliament stating that the Government had obeyed the provisions of that Act without an examination of the Expense Accounts.

346. To take an illustration, they could not, as I understand, apply for the purchase of guns money that is appropriated for the building of ships?—Clearly that would not be possible.

347. And that is where your investigation comes in?—It would go beyond that; it would go to the individual ships. Each ship will have to be watched, and the labour and stores appropriated to each ship will have to be followed.

NAVY ESTIMATES, 1889-90.

Vote B.—continued.

Sir Richard Temple.

348. Your answer applies, I presume, not to the whole of the 70 ships included in the Programme, but only to the dockyard ships, which, I think, are about half of the whole number?—Yes; I am confining myself to the dockyard ships.

Mr. Salt.

349. What I want to come to is this, and it is rather an important point in the keeping of accounts. Is it not very possible that in the building of any of those ships for which you have got a particular sum of money specially applied for that ship and no other, and there is no power of drawing from any other fund, some considerable alteration may be required in the form or the character of the ship, arising, I will assume, quite properly from subsequent information or discovery?—I do not suppose that there would be any restriction which would prevent the Admiralty, with the consent of the Treasury, transferring money from one ship to another. All I can say is that I should be bound to follow that, and report the case to Parliament. The same principles would be involved there as are involved in Vote B., where, with Treasury sanction, an amount can be transferred from one sub-head to another sub-head, where it is a matter of sub-head, and where it is only a matter of detail and not of sub-head, by the Admiralty alone. But in all these cases these Accounts will enable me to follow and report the facts.

Mr. Sydney Buxton.

350. I do not quite understand how far this money is actually appropriated to individual ships; do you mean that the money will be appropriated to each individual ship, and that that amount must be spent on that individual ship, as far as you are concerned?—I would rather not enter into the details of the Bill, of which I have only cognizance so far as relates to my functions. I know that I shall be asked to make an appropriation audit, so to speak, under the Bill. I can answer for nothing beyond that.

351. Will any variation that takes place have to be under Treasury sanction?—I would rather not say exactly what the Bill will do.

Chairman.

352. Could not you answer the question with regard to the details set forth in Vote B., without any reference to the Bill?—Yes; I do not know whether there would be a stricter appropriation under the Bill than there is as to Vote B.

Mr. Sydney Buxton.

353. But so far as Vote B. is concerned, I understand you will have to see that the amounts specified, even to the actual number of pounds appearing here, have been appropriated and spent on these ships?—Yes, or that the departures are under due authority.

354. "Due authority" would be, I presume, under Treasury sanction?—Not necessarily. The Treasury

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Mr. HAMILTON, C.B., and Sir C. L. RYAN, K.C.B.

[Continued.]

NAVY ESTIMATES, 1889-90.

Vote B.—continued.

Mr. Sydney Buxton—continued.

Treasury sanction is confined to the sub-heads of the Vote. The Admiralty have a perfectly free hand within the limits of the sub-heads, but we must follow them through the Expense Accounts, because the Expense Accounts apportion every day's labour and every store used practically.

355. Will the new form of appropriation give you a very large amount of additional work?—It will give me more work, to the amount of 21 clerks, or something of that sort, as I have mentioned.

Mr. Arthur O'Connor.

356. Are we to understand that, besides the normal annual Appropriation Account and the report on it, which you make, there will also be a special Appropriation Account and a special report by you with regard to what is called the new Programme?—Yes.

357. Each year, or upon the whole Programme when it is completed?—Each year.

358. On referring to this Vote B. I observe that you make a regular report upon this Vote as it is now before us?—The report will be upon the Expense Accounts, which are the outcome of that Vote, that is, the Appropriation Account of that Vote.

359. Supposing this new Programme comes into force in the present financial year, will there be under the Bill a separate report with regard to the appropriation for that service during the year?—Yes; there will be a report under the Bill, and there will be a report upon the Expense Accounts also; there will be two reports really in this case.

360. How would you propose to deal with this Vote B. in respect of establishment charges; would you regard them as all coming under Vote B. independently of the new Programme, or would there be no establishment charges at all taken in consideration in connection with the new Programme?—That depends upon how the money is apportioned in the Bill. I cannot answer that question.

361. Then it may be that Vote B. as now drafted will, in consequence of the Bill, have to be re-cast?—It is possible that it might; I cannot say, without having the Bill before me, as to the details; I cannot really answer the question.

362. Would you not, as the adviser of this Committee, be in favour of postponing any report by this Committee upon Vote B. till we see what the outcome of the Bill may be?—No; because I think that the change might be made more easily in the Bill than in Vote B. Vote B. is a complete whole as it stands, and if they do not correspond (I do not say they do not, for I do not know) I would rather make the change in the Bill. Vote B. does include the whole of the new Programme; you will notice that the new ships that are going to be built appear in Vote B. as it is before you, but the details are not inserted for reasons.

363. The whole of the establishment charges are in Vote B.?—Yes.

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NAVY ESTIMATES, 1889-90.

Vote B.—continued.

Mr. Arthur O'Connor—continued.

364. As I understand, you say that the Bill provides for the new Programme, in respect of which there will be a separate report from you?

—Yes. I am dealing rather prospectively with a thing I cannot speak with any confidence about, but I should imagine the nature of the report that will be made upon the Bill will be rather a guarantee to Parliament that the work contemplated by that Bill had actually been performed, in addition to the other work and not in substitution of it, rather than a report with regard to details; the details will probably be dealt with in the Expense Accounts, which do deal with the establishment charges in relation to the new Programme, as well as to the old.

365. If the new Programme is in part at any rate provided for in the financial year for which this Vote B. is proposed, will not there be a covering of the ground in some respects twice over, as regards your Appropriation Report?—Not in examination certainly, because one examination involves the other.

366. But in the Appropriation?—I should endeavour not to do so; I should endeavour to restrict the second report, so to speak, to something which was definite in its shape, and not to travel over the same ground twice.

367. But in the Appropriation Account will not it inevitably happen that the ground will be to a certain extent traversed twice as between Vote B. and the new Programme?—I am speaking again in ignorance of the form of the Account under the Bill.

368. I understand that, and because we also are in ignorance, would it not be advisable to delay the report upon Vote B. till we see exactly how Vote B. may be affected by the Bill?—I really do not see the necessity of that.

369. In regard to the increase of your clerical staff could you give us any idea of what part of that increase represents the work involved in Vote B.?—The whole of the increase required for the Navy is in respect of Vote B. Does the honourable Member wish to draw a distinction between Vote B. and the new Programme?

370. No; I am confining my question to Vote B.; you told us, I think, that you would require, for a variety of reasons, an increase in your clerical staff?—Yes.

371. Among the reasons is the existence of this Vote B., as I understand?—I do not say a variety of reasons; Vote B., or rather the Expense Account examination, is the real reason for the naval increase.

372. For the whole of the increase?—The whole of the increase, as originally demanded from the Treasury, because when the first demand was made to the Treasury I had no idea of the new Bill at all.

373. Then the examination of the Expense Accounts, plus the new Bill, account for the whole increase of the clerical staff?—Not strictly. I thought it prudent to ask the Treasury to give me latitude to employ two or three more clerks if I found the new Programme somewhat increased

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Mr. HAMILTON, C.B., and Sir C. L. RYAN, K.C.B.

[Continued.]

NAVY ESTIMATES, 1889-90.

Vote B.—continued.

Mr. Arthur O'Connor—continued.

the work, and made it more desirable to make the test severer than it otherwise would be. The Committee must clearly understand that it is only a question of a test; the mass of figures involved in the Expense Accounts would mean an enormous addition, much greater than that which I now propose if the whole of that work is to be gone through. All I propose is to test it at each yard.

374. Then Vote B. itself, apart from the examination of the Expense Accounts, cannot be said to require an increase of your staff at all? —Vote B. alone requires nothing in the way of increase.

NAVY ESTIMATES, 1889-90.

Vote B.—continued.

Chairman.

375. (To Mr. Hamilton.) Do you anticipate that it may be necessary to alter the form of Vote B. in order to bring it into accordance with the Bill about to be introduced with respect to the Naval Programme?—I think it is premature to form any opinion as to that at present. The Bill is not yet in its final shape, and I should not like to commit myself on that point till it is finally known what form the Bill is to take. My own belief is that it will not make any material difference.

NAVY APPROPRIATION ACCOUNT, 1887-88.

Mr. JOHN COLLETT, called in; and Examined.

ON VOTE 10.—SECTION I.—NAVAL STORES.

Chairman.

376. I BELIEVE you are Director of Contracts at the Admiralty?—I am.

377. The Comptroller and Auditor General calls attention in his Report to the sale of certain ships; in the case of the "Canopus" and the "Simoom," the amounts realised were considerably in excess of the estimated breaking-up value of the ships. He observes that the ships were sold under private arrangements; he mentions that fact on account of the opinion expressed by the Committee of Public Accounts in their Report of 1884, that "in the case of the sale of ships great care should be taken by the Department to secure a *bonâ fide* competition;" have you any explanation to offer with respect to those two ships which I have mentioned?—I would simply say that by the course pursued a far better price was realised than would have been obtained by offering them to public competition. Our experience is that when ships are offered for sale by advertisement, we never get anything like the price we can get by private negotiation.

378. Can you account for that in any way?—Yes; ships of war are to a greater or less extent small copper mines, and the value entirely depends on the amount of copper in them. No one knows, in fact we ourselves do not know, except approximately, the tonnage of copper that is in a vessel, and the purchase therefore becomes more or less a speculation. The bulk of the ships have been sold for many years past to Messrs. Castle and Sons, the ship breakers. They have had very large experience in the breaking-up of these vessels, and naturally they know the value of them far better than we do ourselves. It suits their purpose, I believe, from what they have told me, to have, so far as is practicable, the command of Admiralty gun metal, which is a special mixture, in the

Chairman—continued.

market, and therefore they can afford to give a higher price for the ships than can be obtained by public competition. The bulk of people who tender do so merely in a small way, and offer a low price because they know it is a speculation. They may be left with a loss, or, on the other hand, they may get an excessive profit.

379. When there is public competition, do Messrs. Castle and Sons compete?—Sometimes, but not always. Of course their object has naturally been to retain the monopoly, if I may use the word, of breaking-up our ships, and they have sometimes refused to tender upon the lines laid down; but at the same time they have always made an offer on lines of their own. It has generally resulted that the efforts to obtain fair prices by public competition have proved abortive, and we have had recourse to negotiations with Messrs. Castle and have received far higher prices from them than we could get by advertisement. In one instance, a few years ago, the offers obtained for a certain batch of ships offered for public competition amounted to about 18,000 £., and by negotiations with Messrs. Castle we got very nearly 40,000 £.

380. Then in the case of the "Foam" and the "Boxer," did the Admiralty break up the vessels themselves?—No; we broke up the "Teazer," but the "Boxer" and the "Foam" were broken up by Messrs. Castle. The reason that the Admiralty pursued the course that is pointed out by the Comptroller and Auditor General was that those vessels were a type of vessel which had never been broken up before; they are what are called composite gun boats, built partly of iron and partly of wood, and it was not known what their value was for breaking-up purposes. Messrs. Castle offered us a very low price,

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Mr. COLLETT.

[Continued.]

NAVY APPROPRIATION ACCOUNT.

Vote 10.—Section I.—Naval Stores—continued.

Chairman—continued.

price, much below our estimate of their worth. He could not arrive at any agreement as to their value, and in the result it was decided that they should have two at a medium price between their valuation and ours to break up, in order to ascertain, if possible, what the real value was; and to check them we broke up the "Teazer," the sister ship to the "Boxer," at Chatham Dockyard. The results came out just about the same.

Mr. Jackson.

381. I observe that the Report of the Comptroller and Auditor General says that all these were broken up under supervision?—Yes; that was in order to see that the full amount of the copper and other materials was returned.

Chairman.

382. Was the result of that experiment such as to encourage you to sell by private contract to Messrs. Castle?—As I stated, that was rather an exceptional case, because no vessels of that kind had been broken up before, and therefore it was quite a lottery as to what their real value might be; but the result was undoubtedly to confirm our own valuation, and the subsequent vessels have been sold at considerably higher prices, although I admit that a large amount of that increase is due to the fact that copper was then much higher than it was at the time these vessels were broken up.

383. Now, you have better data whereby to fix the price at which the vessels should be sold in the future?—Yes, as regards that class of vessel.

384. Are the vessels sold out and out, or do you get credit for the material as it turns out on the breaking up of the vessel?—I believe there is an item in the Navy Estimates showing that we obtain a certain amount from the proceeds of the sale of ships. Whatever is got from the sale is credited to that sub-head in reduction of the sum voted by Parliament.

385. That is not quite an answer to the question which was put to you, which was whether you get a certain sum for the whole ship, or whether the materials of the ship when it is broken up are separately accounted for?—We get a lump sum for the ship; it is sold out and out.

Mr. Jackson.

386. You do not contract for the breaking-up of the ship, and subsequently sell the material, which is the result of the breaking-up of the ship?—No.

Chairman.

387. Has that plan ever been tried?—Sometimes it has been at the dockyards, but there is a great objection to employing labour in breaking-up ships which can be better utilised in other ways. We tried breaking-up by contract some five and twenty years ago, but that was with the old-fashioned line of battle ships and frigates, and 0.60.

NAVY APPROPRIATION ACCOUNT.

Vote 10.—Section I.—Naval Stores—continued.

Chairman—continued.

I do not think the results obtained from ships of that type would be any criterion of the value of ships recently broken up, as they are so different.

Sir Richard Temple.

388. As to the ships that have been built at the dockyards, do not the dockyard authorities know what quantity of copper there is in them?—They know the quantity that was built in, but there may have been great alterations; for instance, when a ship gets old and has to be repaired iron galvanised bolts may be put in instead of copper bolts.

389. But that would be known in the dockyards, would it not?—To a certain extent, but the information there is not so perfect as to the amount of material in a ship as could be wished.

Chairman.

390. In the case of the "Lark" and the "Briton" I observe there was public competition?—They were sold abroad, and the sales only came under my notice after the event.

391. I see that it is stated in the correspondence here that this ship, the "Lark," was broken up after only eight years' service, and, further, that "it is no unusual thing for wooden vessels to develop dry rot in even a shorter period than eight years"; is that an accurate statement?—That is a question that I scarcely feel competent to answer; it is one that the Director of Naval Construction or his officers could reply to.

Sir Richard Temple.

392. Does that remark apply to teak wood?—No, certainly not, but we do not build our vessels of teak. The "Lark," I believe, was built of fir, I happen to know some of the circumstances connected with the "Lark;" she was, in fact, bought when she was half built, upon the stocks at Barnstaple, or at Bideford.

393. What becomes of the teak wood that is imported by the Admiralty into this country?—It is used for the backing of armour chiefly.

Chairman.

394. With regard to the ship "Briton," I see that shortly before the ship was broken up no less a sum than 1,745 l. 6s. 9d. had been expended in repairing the ship; is that sort of occurrence usual?—Again, I may say that I am not competent to answer the question; those matters do not come within my province.

395. Who would be able to speak as to that?—The Director of Naval Construction, or the Director of Dockyards, would be the proper officer to answer such a question.

396. (To Sir C. L. Ryan.) Have you any remarks to make after hearing the evidence that has just been given?—I do not think I can add anything to what is stated in the report before the Committee. In calling attention to the want of

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Mr. COLLETT.

[Continued.]

NAVY APPROPRIATION ACCOUNT.

Vote 10.—Section I.—Naval Stores—*continued.**Chairman—continued.*

of open tender, we were practically following up the directions of the Public Accounts Committee, and it is, of course, for the Committee to judge whether the reasons given would appear to them to be sufficient or satisfactory.

Mr. Arthur O'Connor.

397. (To Mr. Collett.) I understood you to say that on one occasion tenders were made to the extent of 18,000 *l.* for vessels which you proposed to sell afterwards, and for which Messrs. Castle and Sons gave you 40,000 *l.*?—Yes, those were about the sums.

398. Can you in any way explain how it is that when vessels are worth to Messrs. Castle and Sons 40,000 *l.*, they do not tender for them anything beyond 18,000 *l.* in open competition?—I think the explanation is that one firm knows its business and the others do not.

399. Is there a ring?—Well, I do not think so, but I should not like positively to affirm the contrary.

400. Is it within the knowledge of the Admiralty authorities that something in the nature of a ring exists?—No, it is not. I have often debated that question in my own mind, but I never arrived at any satisfactory conclusion; I certainly have sometimes suspected it, but have had no proof.

401. There is no such thing as a knock out?—No, I do not think there is.

402. Do you know whether Messrs. Castle and Sons tendered on that particular occasion?—My impression from memory is that they did not, that is to say, in the sense of giving a separate price for each ship; but I believe they followed their usual plan of offering to buy the whole lot or to enter into negotiations to do so.

403. Has it come to the knowledge of the Admiralty that things sold at auction to, I will say, "A. B." have afterwards come to Messrs. Castle and Sons in the ordinary mercantile mode?—I am not aware of it.

404. With regard to the amount of copper or gun metal in a particular ship, would not the usual specifications in the first instance show what amount there was of the different metals in any particular ship?—I think not. I believe in the future we shall be able to get far better data than we have had in the past, simply because a better record of the weight that goes into a ship is kept now than in the case of vessels built 20, 30, or 40 years ago.

405. Since what date has this better record been in existence?—I could not tell you the date; I only know the general fact.

406. Would the present system of the Navy Expense Accounts furnish you with material for afterwards getting the amount of metal in any particular ship?—I can scarcely say, but I believe they would. I am not sufficiently acquainted with them to answer the question.

407. As I understand you, Messrs. Castle and Sons would appear to have a better knowledge of the amount of gun metal in a particular ship than

NAVY APPROPRIATION ACCOUNT.

Vote 10.—Section I.—Naval Stores—*continued.**Mr. Arthur O'Connor—continued.*

the Admiralty themselves; how is that?—Simply because they have had large experience of breaking up the ships for a number of years and know what to expect in a ship of a given class.

408. Have the Admiralty had any other relations with Messrs. Castle and Sons than those of vendor and purchaser, the Admiralty being the vendor?—Sometimes, when we have not had sufficient gun metal of our own from the arisings of the dockyards, we have purchased a small quantity back from them.

409. That is to say, the Admiralty sells a ship to Messrs. Castle and Sons, and Messrs. Castle and Sons gets the metal out of it, and then the Admiralty buys back the gun metal from Messrs. Castle and Sons?—If we want it.

410. What was the date of the last transaction of that kind?—We bought some, I think, in February of last year.

411. That is in the financial year that we are now concerned with?—Yes.

412. In the very year in which these sales took place with Messrs. Castle and Sons?—In February 1888.

413. In the same financial year you are both vendors and purchasers with Messrs. Castle and Sons?—Yes, except that the metal we bought from Messrs. Castle and Sons could not have been produced from the identical ships which we sold two or three months before.

414. No, but their stores would be kept up by the purchase of those ships?—Yes.

415. The price of copper is of great importance to the Admiralty, I presume?—Very great indeed.

416. Would any of their calculations be upset or modified by the late commercial crisis in connection with the *Comptoir d'Escompte*?—Very much indeed. I sold to Messrs. Castle and Sons a few weeks ago two ships for 15,000 *l.*; copper was then 75 *l.* a ton; it is now about 40 *l.* a ton. They will lose by the transaction.

417. Have the Admiralty any running contracts for copper?—No.

418. How do you buy your copper?—As we want it, by tender from the smelters.

419. What is the period of delivery; what is the notice; is it for immediate delivery?—We can take it at once.

420. But as a rule what is it?—As a rule it is for immediate delivery. Of course it is a thing that you can store anywhere, and so when we want it we buy it.

421. But what is your practice as regarded the amount of copper that you keep in store; do you keep it as low as possible, or do you store up a large amount when you think that the price is such that you can buy it at an advantage?—The amount is regulated according to our wants.

422. According to the wants of the next six months?—According to the wants of the year. We buy it once a year, and usually just about this time of year. In fact, I had tenders in for copper three or four days ago; the market having gone

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Mr. Arthur O'Connor—continued.

gone down I seized the opportunity and issued the invitations. I may say that the quantity of new metal that is wanted for the next financial year is only $5\frac{1}{2}$ tons.

423. Would that represent the amount of consumption for the year?—By no means; it would simply show that the arisings of old copper, &c., from the breaking-up of ships, engines, &c., in the dockyard would meet our wants with the exception of that margin, that is to say, that we can supply ourselves from our own resources without going outside. Perhaps I may explain it in this way. A ship comes into harbour to pay off, and is partly dismantled; for instance, her engines may be obsolete, and are taken out and broken up in the dockyard. A certain amount of gun metal is obtained from them, and that old metal is re-manufactured or used in making castings, &c. The new metal that is bought is simply to supplement the old metal that we get from the breakings-up.

Sir John Lubbock.

424. Do I understand that the whole amount of new copper that you require for the whole year is what you have just stated, namely, the $5\frac{1}{2}$ tons?—That is the estimate.

Mr. Jackson.

425. That is for the year 1889-90?—Yes.

Mr. Arthur O'Connor.

426. These annual purchases are generally made in March or April, I understand?—The demands come to me in February or March, and I make the purchases then if the market is cheap.

427. And if it is not cheap what do you do?—I wait as long as I can; until it is an absolute necessity to buy.

428. You would have to complete your purchases for the year by September, I suppose, at any rate?—Not necessarily; we might be able to wait till Christmas, and it might even happen that towards the end of the year we might not require to purchase any at all, and if the market were high we should not buy.

Mr. Lane.

429. When you sell a ship for breaking up by public tender do you always fix a reserve price?—Yes.

430. When you fix a reserve price in what way do you arrive at it?—The officers of the Controller of the Navy give me information to the best of their power as to the amount of metal in the vessel; we then value it at the market prices of old material of the day, and make a reduction for the cost of the breaking up and also a certain amount for profit. The net result is the reserve price.

431. In ascertaining this result do you never refer to the specification upon which the ships have been originally built?—The specifications would not show the amount of copper in them.

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NAVY APPROPRIATION ACCOUNT.

Vote 10.—Section I.—Naval Stores—continued.

Mr. Lane—continued.

432. But approximately would it not show the tonnage?—Fairly so, I presume; that is the way in which I believe it is arrived at.

433. Of course I assume that when alterations or repairs are made to a ship subsequently those repairs are made upon specification also?—I do not know that they show in detail the quantity of metal put into the ship, but it is a subject that I am not familiar with, and I would rather not answer the question.

434. Then I will not press you any further upon that point, but I will just refer you to the last paragraph of the Comptroller and Auditor General's Report on page 173. You will see by that paragraph that this ship, the "Briton," cost 116,915 *l.* altogether. I want to know when you were putting that ship up for sale by public tender; did the authorities at the Admiralty make any reference to that cost when they were fixing the reserve price?—I cannot tell you; the ship was sold on the East Indian Station, not under my direction at all.

435. But surely a vessel of such importance as the "Briton," after costing nearly 117,000 *l.*, would not be sold upon the East India Station without reference for authority first to the Admiralty?—I have no doubt there was a reference, but I cannot charge my memory with any particulars connected with it. All I can say is that if the "Briton" had been sold in England at that time she would not have realised anything like the price she did realise on the East Indian Station.

436. You think she would not have realised 3,500 *l.*?—I do not believe she would have realised 2,000 *l.*, which is about her breaking-up value. May I explain why I think so. I do not know it for certain, but in all probability she was bought for further use, either as a coal hulk or for other employment, and not merely for breaking-up purposes, and was, therefore, more valuable. In England there is no market for these ships apart from breaking up, except on rare occasions as in the case of the "Simoom," which was bought for a coaling hulk; their value in England is therefore, only their breaking-up value.

437. Would not the materials that cost as much as 116,000 *l.*, if broken up, have realised more than 3,500 *l.*?—Certainly not, net; it must be remembered you have to set against their value many charges in realising it, the labour of breaking up and so on.

438. Is that the normal depreciation in the value of such a ship after that length of time?—Yes. I sold, six weeks ago, two ironclads for 15,000 *l.* and probably their cost was over 500,000 *l.* originally.

439. Was the "Briton" a wooden or an iron ship?—She was, I believe a wooden corvette.

Sir Richard Temple.

440. What were the names of the two ironclads you sold?—The "Repulse" and the "Lord Warden."

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441. When

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Vote 10.—Section I.—Naval Stores—*continued*.

Mr. Sydney Buxton.

441. When these ships are sold for breaking up is the copper practically the only value in the ship?—Yes, practically; you may reckon that all the other materials, such as timber and the iron produced, go against the cost of breaking up, and the net value is somewhere about the value of the copper and the gunmetal that is in the ship.

442. As I understand we may take it that the cost of breaking up is about equal to the value of the timber and the iron?—Yes, roughly.

443. Do you find that on the whole the estimates you make as a reserve price are exceeded or are not exceeded when the public tenders come in?—As a rule we do not get offers equal to our reserve prices.

444. I see these two ships, the "Foam" and the "Boxer," are spoken of as having been broken up under supervision in order to ascertain what the fair price would be for subsequent sales: have you broken up other ships yourselves, or under Admiralty supervision, to find out whether your estimates are correct or not?—Ships have been occasionally broken up in the dockyards, but not with any settled purpose.

445. When was the last occasion when a ship was broken up in the dockyards?—I cannot tell you that with certainty, because they do not come under my control; but two or three small vessels of the same class have been broken up within the last year or two.

446. Do you not think it would be a good thing if some particular ship were broken up with the view of seeing whether your estimates for reserve prices were more or less correct?—I do not think we should get any trustworthy data that way, because in our experience the quantities of materials obtained vary so much in ships, even of the same class, that you would get no result that could be thoroughly depended upon.

447. Do you think that if the Admiralty broke up more ships themselves they would gain or lose upon their transactions?—I am inclined to think that they would gain, but I may remark that the dockyards were scarcely provided for the purpose of breaking-up old ships. Although as a matter of account you might show a money saving, you must take into consideration the fact that the men would be employed upon breaking-up ships, whereas their natural employment is building ships.

448. You mean, as I understand, that on the whole it would not pay?—I do not think it would, looking at it from a broad point of view.

449. How do you advertise for tenders?—We advertise in various London newspapers, and newspapers in the principal ports.

450. Have you made any special push of late to see whether you cannot get tenders from fresh clients?—We have indeed.

451. What have you done in that respect?—Constantly we get applications from firms wanting to know whether we have a ship for sale.

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Vote 10.—Section I.—Naval Stores—*continued*.Mr. Sydney Buxton—*continued*.

We may not then have one of the class that they require, but we put down their names, and whenever we have any ships advertised for sale we send them a form of tender. We have a list of probably 100 firms to whom we send, and perhaps only two or three will send in a tender.

452. As I understand, you say that on the whole you get a better price by selling to Messrs. Castle than by allowing the ships to go to public tender?—That is certainly my opinion.

453. How long have Messrs. Castle been tendering to purchase ships privately?—I have known them in the connection with breaking-up ships for 30 years.

454. May it not be that the fact that your selling your ships privately by private tender to Messrs. Castle and Sons has tended to a monopoly, if I may use the word, on their part?—No doubt it has created a monopoly.

455. And may it not be that that has discouraged other tenderers?—I think not, because whenever they have had an opportunity and they have had very many, they have not offered prices anywhere near those offered by Messrs. Castle and Sons. We know, of course, all the people who are in the market for this kind of thing.

456. But by selling so many ships to Messrs. Castle by private tender do you not consider that you give them a tremendous advantage over the other competitors?—I think not, because in the great majority of cases, in fact with only one or two exceptions, these private sales have only taken place after we have offered the ships for public competition, and have not received offers of anything like their value.

457. As I understood from your answer to an honourable Member just now, you have not been able to decide in your own mind whether there is any kind of undue influence exercised in regard to the public competition?—I do not think there is any.

458. I thought you said something about a ring?—I have sometimes suspected one because the prices ran curiously close, but that has been the only ground that I have had to go upon.

459. I understood you to say that you were not clear in your own mind whether there was or was not a ring?—The only basis that I had was that which I have just mentioned, that the prices ran very close.

460. I think you said, in reply to the Chairman, that it was so difficult to estimate the real value of these ships, that it was necessarily a very speculative thing to tender for them; do you think that in the case of such a tender as you have accepted as the result of public competition, the tenderers have lost or gained on their tenders?—I should think they have gained. A good deal, of course, depends upon the market value of the copper at the time they sell the proceeds.

461. Is one of the elements in speculation the constant

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Mr. Sydney Burton—continued.

constant variation in the price of the copper?—Yes, that is a very large element.

462. You cannot advise us in this matter as to a more economical way of obtaining better prices for these old ships?—No, I cannot; every way has been tried. I have always held the firm opinion that although to sell by private negotiation is wrong in principle, still in this particular instance we have always derived far better value for the ships than when we have publicly advertised for tenders.

463. In your opinion such a ship as the "Briton," which has cost 116,000 *l.*, one way and another, after less than 20 years' life, would only be worth about 2,000 *l.* when broken up?—That is my opinion.

Mr. Lane.

464. Could you tell us how much of this 50,189 *l.* spent upon the "Briton" was spent between the years 1880 and 1886?—I have no information upon that point.

465. Could you supply us by the next sitting of the Committee with the amounts spent in the different years upon this particular ship?—That does not come within my province at all.

466. I observe that the amount spent in repairing the ship between September 1886 and February 1887 was 1,745 *l.*; but what I wanted to know was how much of the 50,189 *l.* spent in repairs before March 1886 was spent immediately before 1886?—I take it that the question to which the honourable Member wants a reply is, when did the last great repair take place; I cannot answer that question.

467. I wanted to know when such a sum as ten or fifteen thousand pounds would have been last spent before December 1886?—That does not come under my Department at all.

Chairman.

468. You can furnish the Committee with that information, I suppose?—Yes, it can be obtained.

Mr. Wodehouse.

469. Can you say who is the proper officer at the Admiralty to explain the circumstances with regard to the "Briton"?—I think that the Director of Dockyards would be the proper officer to give the information.

470. (To Sir C. L. Ryan.) I observe that you have noticed the matter of the "Briton" in your Report; have you put any question about it to the Admiralty yourself?—No; those facts appeared upon the Admiralty's papers, and have not formed the subject of any question to the Admiralty.

471. Can you tell us whether there have been evils and abuses in the past, which moved the Public Accounts Committee of 1884 to recommend that great care should be taken to secure open competition?—The question of these sales without public tender to Messrs. Castle and Sons has been noticed in the Report on the Accounts for some years, and the Committee have taken

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Vote 10.—Section I.—Naval Stores—continued.

Mr. Wodehouse—continued.

evidence before upon the same point. The answer, if I remember rightly, was very much in the terms in which Mr. Collett has given it to-day, namely, that really better terms were obtained by private arrangement than by public tender; but the Committee were, I think, not quite satisfied with that explanation, and therefore they put the paragraph in their Report, to to which we drew attention. Had the Committee been entirely satisfied with the explanation as given, and had they not put the paragraph in their Report, we should have considered they had decided the question in favour of the Admiralty, and we should not have raised it again.

472. In short you are of opinion that, notwithstanding the Admiralty's explanation, the Public Accounts Committee never have been satisfied that the present system is the best?—I think so. (Mr. Collett.) Perhaps I may say that the case to which Sir Charles Ryan refers took place five or six years ago, and since then we have, I think, in every case (except in casual instances like those of the "Simoom" and the "Canopus," referred to in the Report, where we got much larger sums) always advertised the ships before negotiating to sell them privately. The result has undoubtedly been, in my opinion, a loss of many thousands of pounds to the public service.

473. You can testify that the question has been most carefully considered by the Admiralty in view of the opinions expressed by this Committee?—In every case it has been. It being my duty to do so, whenever the question has arisen I have invariably stated my views upon the subject, pointing out the advantages of both systems; that, in the one you gain the desired publicity, and in the other you gain the desired increased prices.

474. You are sure that the results of the system which you pursue are carefully watched?—Most assuredly so.

Chairman.

475. I understood you to say just now that in consequence of complying with the wish of the Committee of Public Accounts in inviting a public tender before arranging for a sale under private arrangement, great loss had accrued to the public service; is that because you think ultimately under the private agreement you get less than you would have done if you had not begun by inviting public tender?—Yes; failure to sell publicly tends to depreciate their value; but I think that a great deal of what I believe to be the loss is due to the fact that it was mentioned some years ago in the House of Commons, that certain ships having been offered for public sale, offers were received to the extent of 18,000 *l.* only, and the same ships were afterwards sold privately for 40,000 *l.* My belief has been that ever since that time Messrs. Castle and Sons' eyes were opened to the high, the comparatively high, prices that they had been giving, and we have never been able to get such good prices from them since.

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476. Do I understand that you do not attribute the loss in the payment made to you by Messrs. Castle's so much to your inviting public tender as to some statement that was made in the House of Commons?—I think that the one hinges upon the other. We might not, I do not say we should not, have put the ship up to public tender in the instance in question; and if so, the facts could never have occurred.

477. Can you mention any instances in which having put up a ship for breaking up to public tender you sold it for less to Messrs. Castle and Sons than you would have done if you had not first put it up to public tender?—No, I cannot.

Mr. Barran.

478. Have you ever tried offering a ship by public auction?—Yes, about 17 or 18 years ago.

479. Not since then?—No.

480. What is the objection to offering ships by public auction?—I do not know that there is any great objection to it; but I do not think, from our experience of 17 or 18 years ago, that we should realise more than we do by the present practice.

481. You have a list of contractors, I understand, to whom you send notice when any ships are to be sold, and the offers are confined, I presume, to that list of persons; is that so?—No; we advertise in the various public papers; but having a note of the names of all those firms who at one time or another have asked whether we have ships for sale, we send the forms of tender to them without application.

482. Do you send them the particulars?—Yes.

483. There is a statement here made that these two vessels, the "Foam" and the "Boxer," were sold for 1,500 l., and the net result was 1,980 l.?—Yes.

484. That was the estimated value of the material after the vessels were broken up?—Yes.

485. How was that result obtained; how did you get to know the net result?—The two ships were broken up in Messrs. Castle and Sons' yard under the supervision of the Admiralty Inspector, and all the materials, as they were taken out of the ships were weighed and recorded in his presence. By that means we arrived at the total weight of the different kinds of materials used in the ships, and then we valued them out at the current prices of old metals.

486. How did you estimate the labour?—I forget whether it was taken actually from Messrs. Castle and Sons' books, or the usual rough estimate.

487. If it was the rough estimate, might it not be very rough?—No; it is pretty well known what the cost is overhead of breaking up a ship.

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Vote 10.—Section I.—Naval Stores—*continued.**Mr. Barran—continued.*

488. Do not ships vary very much in their yielding quality?—Yes; but overhead the ship would cost approximately about 15 s. a ton, hull and machinery together, for breaking up, but, so far as the "Teazer" is concerned, we had the actual cost of the labour.

489. Judging from the result of that breaking up, would you say that it was worth the while of the Admiralty to break up their own vessels, supposing that they could find full employment for the men engaged in that kind of work?—It would occupy the docks or other places in the dockyard, which might be more advantageously used. I do not think that, as a matter of general policy, it is good at all to break up in the dockyards, though you possibly might realise a few hundred pounds more by the sale of the materials than by selling the ship out and out.

490. Supposing that conveniences could be provided for this purpose, would that not be a benefit, not only as regards the addition in the value that can be got out of the breaking-up system, but also as regards the advantage of having the material for re-converting and for use for dockyard purposes?—We get a large amount of material already for conversion purposes from other sources. But I think that, supposing you had the docks empty and no employment whatever, actual or prospective, for them, you might realise rather more if the breaking up was done there, simply because you would save the contractor's profit.

491. That is if you had the docks empty?—Yes, if you had no use for them for other purposes; but not otherwise.

492. You mean to say if there were no other work going on in the world?—If you have not full employment in your dockyard, and the men are idle, you might employ them advantageously in that way.

493. Are the dockyards so full that it is impossible to take in the number of vessels there broken up year by year, for the purpose of dismantling?—I believe it is so; but the Controller of the Navy could answer the question better than I can.

Mr. Salt.

494. I understand you to say that your custom is to offer these ships for sale by public tender, not by limited tender?—By public tender; we advertise in the newspapers.

495. So that it is open to anybody to send in a tender?—Perfectly.

496. This firm whom you mentioned are a London firm?—Yes; Messrs. Castle and Sons have a speciality for breaking-up ships.

497. I presume there are firms of a similar kind in other large towns?—I do not think so; certainly not to anything like the extent of Messrs. Castle and Sons. There are firms who do break one or two ships here and there; but I know of no firm on the same scale or that have premises such as Messrs. Castle and Sons have. It is not difficult of course to break up a ship. You can beach her,

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her, and do so, but Messrs. Castle have special premises for the purpose.

498. The result is that they have such a command both of breaking up and sale of material that you can get better prices from them than from anybody else?—That is so, to the best of my belief.

499. When you put up a ship for tender you have a reserve price, I understand; supposing that reserve price is not reached by any tender, what do you do?—It becomes a question to be considered. Sometimes we review the reserve price to see whether we have assessed it too highly; and if we have not done so we may offer the ships to the firms whose tenders are closest to the reserve prices, and tell them that bids at or above the reserves will be accepted. We have done that on two or three occasions.

500. You get rid of the ship as best you can, in fact?—Yes.

501. When a ship is sold on tender, is the purchaser bound to break it up, or can the ship be used for any other purpose as a hulk?—She can be used undoubtedly; we do not make it a stipulation that she shall be broken up.

Sir Walter Barttelot.

502. Do you have a detailed estimate from your own surveyors of the different things in the ship, and the specific value of those different articles?—Sometimes; not on every occasion.

503. Why not on every occasion?—I do not think that they are always in a position to give the information. As regards old ships built before the present record of weights was kept, they cannot always give the information with accuracy.

504. Surely if you get from them a detailed estimate, you are in a good position to judge what is the real value of the ship?—Undoubtedly, knowing what are the current prices of the old materials.

505. And, therefore, your estimate of the value of that material, which is the main point, cannot be very far wrong?—I should not like to say that at all; so many circumstances tend to alter the weights of metal in a ship, that may have been lost sight of in the course of years. Take the copper sheathing, for instance; we know the weight that is originally put on the vessel; but that sheathing in the course of years becomes considerably worn, and has a great deal of dirt also and refuse matter upon it, and sometimes when the ship has been put into the reserve the upper streaks of copper are taken off. Now the amount of new sheathing on the vessel comes to a considerable tonnage, and is known, but we cannot get the exact data, for the reasons I have mentioned, of the exact quantity on the ship at time of sale.

506. Still you ought to have approximate data, I should think, quite sufficient to enable you to say to Messrs. Castle, we should like to have from you what is your value of the various materials in that ship?—We have, but the estimate of

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materials is a rough and ready one; it is not exact by any means.

507. It guides you in your judgment of what the value of the ship ought to be?—Certainly. We have very often gone into the matter with Mr. Castle, and he has produced to us extracts from his books, showing the quantities of the materials from ships of a similar class.

508. Having got that, and knowing what value the ship is, what is the objection to putting it up in the first instance to auction, whether you sell it or whether you do not?—There is always a certain amount of expense incurred in putting a ship up to auction, whether you sell it or not.

509. Supposing you sell it, and get the full value; surely that is the most business-like way of carrying out the transaction?—Our experience is opposed to that course. In the times when we sold ships by public auction, about 1870 or 1871, it was with the utmost difficulty that we got our reserve prices; in fact, we did not always sell them at public auction; they were bought in and their sale negotiated afterwards.

510. If the materials which you are putting up in the ship for sale would realise to the people who purchased them what they expected, how can it be a very difficult matter for people to give a proper tender for the full value?—We do not tell them all we know; we do not tell them what quantity of metal we estimate there is in the ship.

511. I suppose they are pretty good judges of that themselves?—I do not think anybody is a very good judge except those who have had the experience of breaking-up ships.

Mr. Jackson.

512. Then, in fact, they have the advantage over you?—Yes, they have. I always say that Messrs. Castle and Sons know more about the value of our old ships than we do ourselves.

Sir Walter Barttelot.

513. Supposing you bought your ship in and did not sell it by public auction, would not Messrs. Castle and Sons then give you the same amount of money they would have given to you supposing that the ship had not been put up to auction?—That is a question which I cannot answer; it is one which Mr. Castle should answer.

514. According to the statement you made I have gathered that Messrs. Castle will not give the same amount of money if the ship has been put up to auction and bought in, as they will, supposing the ship has not been put up to auction?—When ships were put up to auction 17 or 18 years ago, Messrs. Castle used to bid at the public sales, and they very often bought them. Perhaps I may explain that the plan we now adopt of putting the ships up for sale by public advertisement, and the old plan of putting them up to auction are different modes.

515. I am asking you whether, supposing you say a certain ship will be put up to auction on a certain day, and you then buy in the ship after that

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Sir *Walter Barttelot*—continued.

that transaction has taken place, Messrs. Castle would not be prepared to give you the full amount which they would have given you, supposing the ship had not been put up to auction?—But we do not put the ships up to auction.

Sir *Richard Temple*.

516. When you advertise that a certain old ship is for sale, do you expect then to get a tender?—Yes.

517. And do you get tenders then?—Yes, but they are chiefly from firms to whom we have taken the trouble of sending forms of tender independently of any reply to the advertisements; in fact, there are about a dozen firms from whom we know we can get offers.

518. You do not negotiate with Messrs. Castle, I understand, till after you have received replies to your advertisement?—And found the offers too low; that has been the practice for the last five or six years.

Chairman.

519. Is that the practice still?—No. On the last two or three occasions when we sold lots, our reserve prices not having been realised, we have written to three or four of the highest bidders, saying, your offers are inadequate, but if you will bid at or above the reserve prices, which we name, the highest bidder can have the ships.

Sir *Richard Temple*.

520. As I understand, you do not refer to Messrs. Castle and Sons till you have received replies from three or four firms?—Certainly not; they being one of them.

521. I understood that there was a list of firms who might possibly tender; is that so?—We know the names of all the firms who have at any time expressed a desire to tender. We send each a form of tender, but nine-tenths of them do not reply; seven-tenths of those who reply offer prices that are usually preposterously small; about one-third or one-half of our estimate prices.

522. It is then, and not till then, that you refer to Messrs. Castle?—Yes, and on the last two or three occasions we have not referred to Messrs. Castle alone, but to three or four of the highest bidders whose prices approximated to the reserve prices most nearly.

523. And you do not do that till after you have received replies from other firms?—We do not negotiate privately till the ships have been first offered to public competition.

524. Then I presume you do not let Messrs. Castle and Sons know what offers you have had?—Certainly not.

525. I understand, from your answer to a previous question, that some of these preliminary offers became divulged through a question put in the House of Commons, and that consequently Messrs. Castle and Sons found out how low the offers had been, and then they lowered their offers?—That is my impression. It was mentioned in the House of Commons that the vessels

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Sir *Richard Temple*—continued.

which we ultimately sold to Messrs. Castle and Sons for 40,000 *l.* had only drawn offers from the public at large, extra to Messrs. Castle, to the extent of 18,000 *l.*, and my impression most decidedly has been that ever since then we have not obtained the same prices from Messrs. Castle as we did before that statement was made in the House.

Mr. *Wodehouse*.

526. Can you tell us what private ship-owning firms do with regard to breaking up their ships; do they pursue a similar practice to that pursued by the Admiralty?—They sell them privately for what they can get as far as I know.

527. They do not put them up to open competition?—No.

Chairman.

528. Do they break them up themselves?—No.

Mr. *Arthur O'Connor*.

529. Who was it made that statement in the House of Commons to which you have just referred; was it a Minister?—It was the then Secretary to the Admiralty.

530. It was in defence of the existing Admiralty system, I suppose?—Some question was asked in connection with the sale of ships.

531. And this statement was brought forward as an argument to justify the course still pursued by the Admiralty?—It is still pursued, to a certain extent.

532. Do I understand you to say that that was 18 years ago?—No, it was three or four years ago. Vessels were submitted to public auction about 18 years ago; that is to say, we employed an auctioneer to offer them at Lloyds'.

533. You told us that this statement was calculated to open the eyes of Messrs. Castle and Sons, to the fact that they were offering more for ships than could be got elsewhere?—I think it was well calculated to do so.

534. Do not you think, on the other hand, if you allowed the public to know that what had been tendered for at 18,000 *l.* was worth at least 40,000 *l.*, that might open the eyes of people, and have the contrary effect?—I think the class of the public who tender for our old ships were pretty well aware of their value before.

535. You said further, that of the firms with which you corresponded, nine-tenths did not answer your letter at all, and the others sent in tenders which were ridiculously small?—Yes.

536. I suppose they knew very well that if they did not answer your letter, or tender on reasonable terms, the ships would go to Messrs. Castle and Sons?—I do not think they could know that.

537. Do you not think those interested in the trade know what becomes of the ships?—Of course they know where they go to.

538. And, therefore, they knew practically what the result of their not tendering would be?—No:

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[Continued.]

NAVY APPROPRIATION ACCOUNT.

Vote 10.—Section I.—Naval Stores—continued.

Mr. Arthur O'Connor—continued.

—No; the firms who did not answer would be shipbrokers from whom we had sometimes had chance inquiry for a vessel for a coal hulk abroad, and to whom we send forms of tender, on the off chance that they might have a similar requirement at the time we had the ships to sell.

539. Surely those men, having their business interest to spur them on, must be generally conversant with the system that prevails, under which Messrs. Castle and Sons get the ships?—I am not aware that there is any system, under which Messrs. Castle and Sons do get them; they obtain them as the result of offering a better price. If other firms offered better prices, then, unquestionably, they would get the ships.

540. The non-answering or sending in of a ridiculously small tender is practically another way of saying, "Let Messrs. Castle and Sons have them"?—Not at all. As regards the people who tender, there are a lot of small men round the coast who sometimes tender for one small vessel; they will offer a ridiculous price, and then write again when declined, asking what amount we will take, or make another offer of 30*l.* or 40*l.* more; but generally their offers are from a quarter to half of what we value the ships at.

541. Where do Messrs. Castle and Sons break up their ships?—They have a small establishment at Millbank, but the main establishment where they break up the ships is at Charlton, near Woolwich.

542. Are any ships broken up on the Tyne by anybody?—Not that I am aware of.

543. Nor at Liverpool?—They are not broken up there, so far as I know. We sold one or two ships to the Tyne and Sunderland a short time ago, but I believe they were for further use.

544. Are there ships broken up anywhere else?—Yes; at Plymouth. Of course, you can break up a ship anywhere by beaching her; but Messrs. Castle and Sons have a wharf or yard, alongside which they lay the ship.

545. You seem to be very well acquainted with Messrs. Castle and Sons' premises, but are there not similar places in other parts of the kingdom?—I have never seen Messrs. Castle's place.

546. Can you tell me of other places in the kingdom where similar work is carried on?—No; I do not know of any other ship-breaking establishment except a small one at Plymouth, as just mentioned.

547. Messrs. Castle and Sons' is practically the only one with which you are acquainted?—Yes. There are several other firms in London that send us offers, and that have bought ships, but they have no yards of their own, and they go to some other place to break them up.

548. To Messrs. Castle's, I suppose?—No. I sold some ships a short time ago to two firms, George Cohen, Sons, and Company, and Isaac Cohen, but they got the vessels broken up by the firm at Plymouth, so far as I know.

549. You are Director of Contracts?—Yes.

0.60.

NAVY APPROPRIATION ACCOUNT.

Vote 10.—Section I.—Naval Stores—continued.

Mr. Arthur O'Connor—continued.

550. As Director of Contracts, did it ever occur to you that it might be well if you made yourself acquainted with all the places in the kingdom where ships might be broken up, and where there might be a market of this kind?—Yes, but I think that I am perfectly acquainted with them; I claim to be so.

551. You said that Messrs. Castle and Sons' was the only establishment of the kind that you could name?—The only one that is a regular ship-breaking establishment.

552. Is that the only regular ship-breaking establishment in the kingdom?—So far as my knowledge goes it is, and I have often made inquiries.

553. You think it would not be possible to discover any other?—I am not aware of any other. Naturally my object is to do the best I can in the public interest.

554. Are you acquainted with what the Italian naval authorities do with their ships?—No.

555. Or the Germans?—No.

556. Or the French?—I do not know.

557. I believe the French have lost an enormous amount of money by the reckless way in which they have sold some of their old stock?—Very possibly, but I have no knowledge as to that.

558. You do not know either as to their practice or as to their mistakes?—No; I have heard a good deal, but I know nothing of my own knowledge.

Sir Richard Temple.

559. Do you not think it would be well to find out about the foreign practice?—I can do so, but I do not think we have very much to learn, judging from what I do know; generally speaking, they come to me for information. I have been abroad a good deal on matters relating to my duties, and therefore I speak with a certain amount of knowledge.

560. Then you do know something about the practice abroad?—Only generally. My inquiries have not been specially directed as to how they dispose of their old ships.

Mr. Arthur O'Connor.

561. You have not had your attention directed to a recent work which deals with the French system, and with the defects in that system?—I presume you refer to the book called "*Les abus de la Marine*." I have not seen it yet.

562. With regard to breaking up the ships in dockyards, I suppose the admiral in charge of the dockyard would not like that kind of work in his dockyard as a rule?—That is a question I would rather you asked the admiral than me.

563. Have you never corresponded with any of the admirals at the dockyards with a view to seeing whether they could assist you in realising more money than by breaking up the ships by contract?

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NAVY APPROPRIATION ACCOUNT.

Vote 10.—Section I.—Naval Stores—*continued.*Mr. Arthur O'Connor—*continued.*

contract?—That is a matter for the Board of Admiralty to determine.

564. But you have never raised the question yourself?—No; but I have often pointed out that under certain circumstances more money value could be realised by the sale of the old material if we broke up the ship ourselves, because we should save the profit of the contractor.

565. There is not much work done at Haulbowline is there?—None at all, so far as ship building is concerned.

566. Do you think that Haulbowline might be utilised for breaking up ships?—I think that Haulbowline is an out of the way place, away from the markets, and we should not realise full value of the materials there.

567. As regards this ship, the "Briton," which you told us was sold in the East Indies, do you think she was sold in such a place as would offer chances of competition?—I should think so; the proper policy is I think to sell them abroad instead of bringing them home for that purpose at an expense of hundreds or thousands of pounds.

Sir Richard Temple.

568. Where was this ship sold?—At Bombay.

569. There would be a great means of competition at Bombay, I presume?—I know that the ship was advertised for sale there; as a matter of fact, she realised more than we could have got for her at home.

Chairman.

570. As a matter of fact, the "Briton," I understand, was sold after public competition?—Yes.

Mr. Arthur O'Connor.

571. Do Messrs. Castle and Sons make a survey of a ship by an officer of their own before they purchase it?—They generally, I believe, go down to inspect the ships; we give every purchaser the option of seeing them.

572. Have you not an officer in the Admiralty, or connected with the Admiralty, would be quite as competent to form an opinion of the value of a ship for breaking up as anyone that Messrs. Castle and Sons could employ?—I believe that Mr. Castle generally goes down himself to survey them, and I am certain that he knows far more about the value of our ships for breaking-up purposes than anybody in the Admiralty does, simply because he has actual data before him of similar classes of ships, which he has broken up during the last 25 or 30 years. He has the best data, that is, experience derived from accomplished results.

573. But surely the elements which enter into his calculation must be available for any other officer who is competent to make a survey?—I think not, because his experience is derived from actual facts; that is to say, knowledge of the proceeds of the ships that he has broken up.

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Vote 10.—Section I.—Naval Stores—*continued.*Mr. Arthur O'Connor—*continued.*

Our officers' opinions can only be derived from the imperfect data that may be in office with regard to the metals which may have been put into these old ships from time to time.

574. The officers concerned with the surveys of ships for the purposes of repairs, who see the ships repaired, could furnish some one who would be competent to judge of their value, could they not?—Of course we do get information from our officers; but my point is simply that Mr. Castle's opinion from experience is more trustworthy than our own; ours is merely a matter of estimate, and his is a matter of fact.

575. I think you said in answer to a previous question that you did not tell Messrs. Castle and Sons all you knew about the ships?—We do not tell anybody; we give them certain particulars in the form of tender.

576. I took your expression down at the time; you said you did not tell them "all we know"?—I do not remember in connection with what question I made the answer to which you refer.

577. I do not remember precisely what the question was?—That has a good deal of bearing upon the remark.

578. You said that you did not tell them all you knew about the ships; that is, with regard to the amount of metal in them?—Certainly not.

579. Why did you not tell them all you knew?—I do not know the particular reason.

580. Would you put it the other way and say that you do not tell them how little you know?—I have never considered the point. It is not our business to expose our hand; we have something to sell, and we do not tell anybody all we know or all that we believe we know. I do not think we should get any advantage if we did, because it becomes at once a question of the accuracy of our estimates; and of course a purchaser would only accept them if they were in his favour.

Chairman.

581. You think that what you know is generally more to the disadvantage of the vessel than to its advantage?—I think, speaking generally, that we value the ships higher than what they are actually worth.

582. Then you would not like to be tied down to the information you gave?—No, you would have to give it with a certain amount of reserve; at all events, you ought not to pin your faith to it.

Mr. Arthur O'Connor.

583. With regard to your last answer, that you generally price the things too high, the facts, as stated in the Comptroller and Auditor General's Report, show that the reserve price was 650*l.* and you realised 904*l.* in the case of one ship, the "Foam," and in the case of the other, the "Boxer," you realised 1,076*l.* as against a reserve price

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price of 850 *l.*, leaving respectively a profit of 304 *l.* and 326 *l.* realised, as between your reserve price and the price you actually got from the contractors?—That would be the amount of profit.

584. The facts would seem to show rather the reverse of what you stated just now?—You must take in connection with that the previous explanation I gave, that those vessels were the first vessels of this class that had ever been broken up, and we had not any very trustworthy information as to their actual value.

Mr. Barran.

585. You say that Messrs. Castle & Sons know more about these vessels than you do. I want to ask whether that is not in consequence of their dealing with these things as business men, who realise practically the result of their judgment, whereas the men who estimate the values for the Admiralty base their estimates more upon theory than upon actual practical experience?—I think that I have already answered that question in nearly the same terms, namely, that Messrs. Castle's figures are based upon their experience, and ours are simply estimated.

Mr. Sydney Burton.

586. What possible disadvantage would arise from informing those who ask for tenders what your estimate is, without guaranteeing any certain amount, merely saying that this was your estimate of the metal in the ship?—I think if

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Vote 10.—Section I.—Naval Stores—*continued.*Mr. Sydney Burton—*continued.*

we did anything in that direction it would be better to name the upset price.

587. I am not speaking of the price, but of the tonnage of metal?—But the value depends upon the tonnage of metal, and, therefore, instead of giving details of so much iron and so much copper, I think it would be better to name the reserve price, because the estimate of quantity may not be, and indeed certainly would not be, realised accurately. The quantity might turn out to be less or more than was named, and you would be committed to the quantity named. If you asked for offers based upon so many tons of metal, you would have to make the quantity good, if it turned out to be less than the rated quantity.

588. I understood you to say in one of your previous answers that the difficulty was to know how much metal there was in the ship?—Yes; let me illustrate what I mean; we estimate, say, that a ship contains 40 tons of gun metal; we put it in our invitations to tender that the vessel contains that quantity, and a man makes a tender on that basis. If on breaking up the ship that man finds only 30 tons in her he would say that we had wronged him, and would ask for compensation for the difference between the 30 tons and the 40 tons.

589. Would it not make the whole difference in such a case if you stated that you estimated the quantity to be 40 tons, but you did not commit yourselves to that amount?—If we did not commit ourselves to the amount, that is, if we merely estimated it and did not guarantee it, I think there is nothing to be gained by stating it.

[The Witness withdrew.]

Sir GERALD FITZGERALD, K.C.M.G., called in; and Examined.

EXCESSES ON VOTES.

Chairman.

590. I OBSERVE that there were excesses on eight Votes amounting to 232,385 *l.* 1 *s.* 9 *d.* Of those excesses one on Vote 2 of 49,895 *l.* 2 *s.* 1 *d.*, and another on Vote 10, Section I., of 141,380 *l.* 13 *s.* 8 *d.*, are the most important, and I observe that no sanction has been received from the Treasury for those two excesses; have you any explanation to offer upon the point?—The excess upon Vote 2 was caused by purchases made to replenish stocks, principally for the maintenance of reserves for armed cruisers, these being in reality an increase in the number of ships for which stocks have to be maintained in reserve. These purchases were considered by the Board of Admiralty to be necessary, and as funds were available under Votes 6 and 10, Section II., they were made instead of throwing the burden upon the succeeding year.

591. I think the application to the Treasury for sanction to both these excesses was only made in the letter dated the 28th of March 1888?—That is so.

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Chairman—*continued.*

592. And the answer of the Treasury to the Admiralty was to the following effect: "It is too late to comply with the resolution of the House of Commons of 4th of March 1879, because that resolution relates only to sanctions given by the Treasury 'within' the financial year for which the Votes have been taken"?—That is so.

593. (To Mr. Hamilton.) I think the Treasury finally declined not only on the ground that I have just now quoted, but, because in their opinion, the expenditure at that period of the financial year was not necessary, and it might have been postponed until voted by Parliament without detriment to the public service?—That is so.

594. I think this is the first time that the Treasury have refused to sanction excesses under the Navy Votes?—I am not aware of any other occasion upon which they have refused their sanction.

595. In the opinion of the Treasury these two cases to which I have referred of Vote 2 and

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Excesses on Votes—continued.

Chairman—continued.

Vote 10, Section I., did not come within the enactment in the Annual Appropriation Act, which is quoted in the letter from the Auditor General on page 179 of the Appropriation Accounts?—In the view of the Treasury a case had not been made out for the exercise of the discretionary power given by the 4th section of the Appropriation Act.

596. I think there is one part of the Treasury letter which follows as an answer to the letter to which I have just referred, on page 180, which you desire to correct?—That is so. The paragraph to which I allude begins: "The section is not confined to cases of expenditure causing an excess on the Vote to which it is charged." That paragraph is at variance with, and was written, I think, in inadvertence of the previous Treasury Minute of the 27th of October 1879, which dealt with the Committee's Report of that year, in which the interpretation with regard to Section 4 of the Appropriation Act is, I think, the more correct one. That Treasury Minute is printed in the Handbook to the Reports from the Committees of Public Accounts, which, I think, is before the Committee, and there the Treasury interprets the section and defines the occasions in which a discretionary power may be exercised. With the permission of the Committee I will read one passage from this Treasury Minute: "In considering the limits within which the Treasury can exercise the power of temporarily appropriating a surplus to meet a deficit, and the circumstances which justify a recourse to such power, it is necessary to bear in mind a distinction which my Lords cannot help thinking has been occasionally lost sight of in the discussions that have taken place on this subject, viz.: the distinction between (1) applying a surplus on one Vote to meeting a deficit on another Vote, and (2) applying a saving on a sub-head, or on an item of a sub-head in one Vote to meeting a deficit on another sub-head, or item of a sub-head in the same Vote, or to paying for some new service not originally provided for, but of such a nature as to bring it within the scope of the same Vote. It is the first only of these two different kinds of exercise of authority which is sanctioned by Section 4 of the Appropriation Act, because it alone requires statutory authority. The application of savings to meet deficiencies within one and the same Vote, and the allowing a department to diverge from the detail of proposed expenditure, shown in the estimate of a Vote, by introducing a new but kindred service, are exertions of authority over matters which no statute touches, but which have been left within the discretion of the spending departments and the Treasury, subject to the obligation of rendering an account to Parliament of all their expenditure."

597. How would you propose to correct the letter on page 180 of the Appropriation Account, to which you referred just now?—By the omission of the paragraph beginning, "The section is not confined," and ending with the words, "cause no

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Excesses on Votes—continued.

Chairman—continued.

excess upon it." The next paragraph, beginning with the words, "the most important exercise," would have to go out as well. According to those paragraphs, Section 4 of the Appropriation Act is not confined to cases of expenditure causing an excess on a Vote, but applies to all expenditure unprovided for, even if it causes no such excess. But though Treasury sanction is required in both cases, resort need only be had to the statutory power when it is a case of applying a saving on one Vote to meet a deficiency on another.

Mr. Arthur O'Connor.

598. As I understand what you mean is that you do not require statutory authority such as is given in the Appropriation Act to authorise the use of a surplus on one sub-head to meet a deficiency on another sub-head of the same Vote?—Yes.

Chairman.

599. With respect to these particular excesses the Treasury have pronounced a very strong opinion, which is quoted on page 166 in the Report of the Comptroller and Auditor General, the opinion of the Treasury being that "to deliberately incur an excess on, say, a Store Vote without obtaining the previous authority of the Treasury to defray it out of savings would, in point of law, be an act of misappropriation"?—That was the opinion of the Treasury as the circumstances were represented to them at the time.

600. (To Sir Gerald FitzGerald.) I must ask you what the Admiralty have to say in defence with respect to these two excesses?—If that opinion had been given before the excesses in question were incurred, they would not have been incurred; but the rules requiring the prior sanction of the Treasury to transfers from Vote to Vote have not hitherto been strictly insisted upon by that Department. More defined rules have now been laid down; and I believe they will be acted upon in future by the Board of Admiralty.

601. Was not the rule laid down practically by the section in the Appropriation Act?—The Treasury interpret for us the Appropriation Act, and the interpretation in such strong terms as those in the letter of the 2nd of November 1888 was not communicated to the Admiralty before that time. We act under the Treasury rulings.

Mr. Jackson.

602. But has not Mr. Hamilton made reference to an opinion expressed by the Public Accounts Committee on a former occasion?—That is in a communication to the War Office; I am not aware that it was communicated to the Admiralty.

Chairman.

603. What Mr. Hamilton has referred to is a Treasury Minute?—I think not. If you look at page

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Excesses on Votes—continued.

Chairman—continued.

page 278 you will see it is headed, "Write to the Financial Secretary, War Office." What Mr. Hamilton cited is in a letter to the War Office.

604. But does not the whole of the Treasury Minute in which that occurs on the Report of the Comptroller and Auditor General come before both Departments?—I am not aware of that; the Treasury, as a rule, only sends to the Admiralty the portion which affects the transactions of the Admiralty. I had not been aware of that letter.

Mr. Jackson.

605. Do I understand that the Admiralty do not pay any attention to what takes place in the Public Accounts Committee, except as regards their own Votes?—Not unless it is communicated by the Treasury to us for general adoption.

Chairman.

606. (To Mr. Hamilton.) Is it not the practice of the Treasury to send such a Minute as the one containing this letter which is communicated to the Public Accounts Committee to the different departments; to both the War Office and the Admiralty?—The Treasury in their Minute deal with the remark contained in the Committee's Report *seriatim*; they take up first the points with regard to the Civil Service Accounts, and then the Navy and Army Accounts. The paragraphs in the Minute relating to Army Accounts would not necessarily apply to Navy Accounts, and therefore it would not follow that the Admiralty had the whole Minute before them. Apparently in this case the passage that I read from the Treasury Minute of 1879 defining the discretionary power vested in the Treasury by the Appropriation Act was only communicated to the War Office.

607. Has no similar definition at any time been communicated to the Admiralty?—I am not aware that there has been.

Mr. Sydney Buxton.

608. (To Sir Gerald FitzGerald.) May I call your attention to pages 276 and 277 of the handbook to the Report from the Committee of Public Accounts. You will see there a letter addressed to the Secretary to the Admiralty, and at the bottom of page 277 you will see this paragraph; "I am at the same time to enclose a copy of paragraphs 78 to 81 of the same Report of the Committee of Public Accounts respecting the exercise by the Treasury of the power given them by Section 4 of the Appropriation Acts;" that is to say the two paragraphs to which reference has been already made on page 279; so that the communication seems to have been made to the Admiralty?—I now observe that that is the case; it had escaped my notice. (Mr. Hamilton.) I had not observed that the paragraphs had been enclosed in the letter to the
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Excesses on Votes—continued.

Mr. Sydney Buxton—continued.

Admiralty. This is as one would expect, for paragraphs in the Minute addressed to one Department, but applicable to another Department, would be sent to that other Department.

Chairman.

609. (To Sir Gerald FitzGerald.) Then I am afraid that the particular defence which you have just now set up on behalf of the Admiralty rather breaks down, does it not?—My defence is not affected by what Mr. Hamilton has just read, but is based on the general system. I stated that it was not so strictly laid down for us until the letter of the 2nd of November 1888 that we were not to incur these excesses without prior Treasury sanction; the rulings of the Treasury had not previously been so clear as they are now put before us in that letter, and had not previously been so rigidly enforced.

610. (To Mr. Hamilton.) Are you prepared to admit that this is the first time that the Treasury has laid down so strict a rule for the guidance of the Admiralty?—I think it is as strictly laid down in the original Minute of the 24th of November 1870, written after the section was first introduced into the Appropriation Act; that Minute says, "The provisions inserted in the 26th section of the Act 25 & 26 Victoria, cap. 71 (Appropriation Act), for the first time, and since continued annually, limit the powers conferred on the Treasury by previous Acts by confining their authority to the temporary use of surplus Votes to meet deficiencies on other Votes, reserving to Parliament itself the power of finally sanctioning such appropriation. My Lords request that whenever application may be made to them to exercise the powers entrusted to them by the clause referred to of the Annual Appropriation Acts, the Departments will comply strictly with the regulations laid down in the Act; and, moreover, that they will be careful to specify, in all such applications, the Votes upon which the savings, to be temporarily applied in aid of deficiencies, are expected to arise; and that they will explain so as to render them easily intelligible, both the causes which may have given rise to the increased expenditure to be sanctioned, and the circumstances which may have led to the savings out of which such expenditure is to be defrayed."

611. I should infer from that that the application made on the 28th of March 1888, for Treasury sanction, and after the money had actually been spent was not carrying out the instructions given in the Treasury Minute which you have quoted?—That is so.

612. (To Sir Gerald FitzGerald.) Has the Treasury constantly acted upon the Minute that has just been read?—The conditions of that Minute have not been strictly enforced on all occasions.

613. Has it been the practice to make an application as late as the 28th of March, after the money has actually been spent in excess of the
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Excesses on Votes—continued.

Chairman—continued.

the Vote, asking for the Treasury sanction?—It has not always been made before that date, but I admit there was delay in that particular year.

614. Will you quote any cases in which you think the Treasury has not acted strictly within the rule which they laid down in 1870?—I cannot for the moment call to mind any such cases. On this occasion there is no doubt the letter should have been sent earlier, but unfortunately that was not done; I am not myself responsible for it.

615. That is practically a plea of guilty?—Certainly; the Admiralty ought to have applied earlier for what they did apply for on the 28th of March.

616. (To Sir C. L. Ryan.) I suppose you adhere to the opinion which you express in the paragraph of your Report at the bottom of page 165, that the surpluses in question "have been improperly expended, and that they ought to have gone to swell the amount to be surrendered to the Exchequer, with the ultimate effect of increasing the Sinking Fund applicable to the reduction of the National Debt"?—Certainly I do. (Sir Gerald FitzGerald.) As to that I might answer that we had the money available upon other Votes, and it was considered at the Admiralty that we had justification for spending this amount upon other sub-heads and other Votes, and that we could apply to the Treasury for covering authority for what we had done. This application was made too late; that is the only fault of the Admiralty.

617. You have said that you considered you had justification for spending the money, and afterwards asking Treasury sanction for what you had done; is it not more correct to say that you thought you had a case which justified you in asking the Treasury for their sanction to enable you to do that which you cannot do without their sanction?—Yes; I should add that we reduced the Estimates in the following year, because of these payments in 1887–88.

618. To take each of these Votes separately, you mentioned just now, as an explanation of the excess of expenditure on Vote 2 of 30,142 l. 11 s. 7 d. for the purchase of clothing, &c., on page 17, that it was incurred to replenish stocks; but the Comptroller and Auditor General points out in his Report that it is shown by the note on the same page that not only had the stock not been depleted, but that even had the expenditure been kept within the limits of the grant the stock would still have shown an increase of about the value of 92,000 l.; can you explain that?—No; the Director of Victualling will be able to explain why his stock was depleted. All I can say is, that the Estimates for the store items of Vote 2 were in the following year decreased by 119,000 l.

619. If you will look at page 17 of the Appropriation Accounts you will find a note at the bottom occupying several lines, which shows that

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Excesses on Votes—continued.

Chairman—continued.

there was a positive increase in the stock, amounting to 122,238 l.?—Yes.

620. How do you explain that?—We increased the stocks that year, but we reduced the Estimates of the next year.

621. But the statement of the explanation is, that the purchases were made "to replenish stocks," whereas it appears that the stock had not been depleted?—My first answer was, that the purchases were to a great extent required to replenish stocks for the maintenance of reserves for armed cruisers.

622. Was this amount for clothing, soap, and tobacco, in connection with the armed cruisers?—Yes; a portion of that sum was on account of armed cruisers.

623. It was necessary to add to the stock for the wants of these armed cruisers?—Yes.

624. And that in spite of the fact that the stock had not been depleted in other directions?—Yes.

625. (To Sir C. L. Ryan.) Have you anything to say upon the explanation which has just been given?—It is impossible for me, of course, to tell what the exact purpose of the purchase on account of stock was; I can only say that the explanations seem to be inconsistent with the facts. It is stated to be required to replenish stocks, whereas the stocks have been actually increased irrespective of this sum altogether.

626. (To Sir Gerald FitzGerald.) Then passing on to the next paragraph in the Report, which relates to the excesses under Vote 10, Section I., the explanation given by the Admiralty is also that the deficits were due to "replenishment of stocks;" but it appears that, in consequence of the stocks being in excess of the requirements at the time the Estimates for 1887–88 were framed, it was the intention of the Admiralty to reduce them in the course of the year to the extent of 208,000 l., and it also appears that in the course of 1888–89 it was intended to still further reduce this stock to the extent of 350,000 l.; therefore the spending of this money for the purpose of replenishment of stock seems to need some explanation?—The stocks under Vote 10, Section I., were, as is shown on page 35, actually decreased during the year by the sum of 63,775 l.

627. That is clear, but it does not answer the point I have just put, which arises on the paragraph of the Comptroller and Auditor General's Report beginning, "This is undoubtedly correct," and the following paragraph, on page 166?—Upon that subject the Director of Stores will be able to give information. I have no information with regard to stocks, and the reasons for their being increased or depleted.

628. The Director of Stores is not here, I understand?—No; he will be examined upon the Store Accounts.

629. I suppose you would admit the statement in the next paragraph of the Report, that the motive for these large advances made, at the close of the financial year, was the desire to expend surpluses

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[Continued.]

NAVY APPROPRIATION ACCOUNT.

Excesses on Votes—continued.

Chairman—continued.

surpluses rather than surrender them to the Exchequer?—It was not entirely that; the Votes were decreased in the following year owing to these large purchases in the year 1887-88. These purchases were made in anticipation of the following year.

630. Did you reduce the Estimates in proportion?—We reduced them to the amount of 346,390 l.

631. Still you have already told the Committee that it was upon observing that you had these considerable surpluses on Vote 6 and Vote 10, Section II., that you desired to expend these surpluses for Admiralty purposes rather than surrender them to the Exchequer?—Yes; that was one of the reasons that must be admitted. A stronger reason may be stated also, viz., that we intended to reduce the Estimates for the following year.

Mr. Jackson.

632. One was consequent upon the other, was it not?—Yes.

633. You were taking the power by the first action to do the second?—Yes.

634. If you had surrendered the surpluses to the Exchequer you could not have reduced the Estimates for the following year?—That may be so.

Chairman.

635. (To Mr. Hamilton.) There seems to be a complete agreement between you and Sir Charles Ryan upon the subject of what you call in the Treasury letter “deliberate excesses,” in the opinion that the previous sanction of the Treasury should be obtained, and that it is evident that an *ex post facto* application for an *ex post facto* sanction is a mere matter of form on both sides; you would agree, I presume, to Sir Charles Ryan’s remark to that effect?—Certainly.

636. But then there is in the Treasury letter, which is printed on page 180, a question about what you call “automatic excesses;” I do not quite follow the use of the word “automatic;” you speak in one case of “wilful or deliberate” excesses; would not the others be more properly called “unavoidable or innocent” excesses?—Yes; “unavoidable” really expresses the meaning of the Treasury.

637. With respect to these automatic or unavoidable excesses, the Treasury remark that they “occur every year in considerable numbers, and receive the covering sanction of the Treasury, as a matter of course, unless some special cause of objection should appear.” You observe that the Comptroller and Auditor General remarks upon that in the concluding paragraph of his Report; is that Treasury practice warranted by the annual Appropriation Acts, under which it is professedly followed?—I think the Comptroller and Auditor General is probably correct in saying that according to the strict reading of the section such practice is not warranted; but I think it is

0.60.

NAVY APPROPRIATION ACCOUNT.

Excesses on Votes—continued.

Chairman—continued.

very questionable whether it would be desirable to amend the section so as to make it expressly cover unavoidable excesses; it might have the effect of encouraging a department to wait for an *ex post facto* sanction of this kind.

638. Is not your statement rather an encouragement to departments to run into what may be described as unavoidable excesses, with the result, as the Comptroller and Auditor General observes, that when the money is once spent the opportunity of financial control, either on the part of the Treasury or even of Parliament itself, has passed away?—I am afraid that it is impossible that the Admiralty should foresee all cases of excesses. They do not arise from any deliberate attempt to spend the money or to avoid coming for sanction, but simply from the fact that it is impossible for the Department to know how much they have actually spent until after the close of the financial year.

639. (To Sir C. L. Ryan.) Have you any remark to make upon this point?—I think in discussing this latter part of the question we ought to bear in mind the correction which the Treasury have made in their letter of 2nd November 1888, in which they point out that the ordinary power that they exercise of sanctioning excesses over sub-heads is not given under the Appropriation Act. This paragraph in my Report really has reference entirely to what I may call the major offence, rather than the minor offences, which are dealt with in subsequent paragraphs with regard to the excess on the sub-heads. With regard to the excess upon the Votes I think that, considering the size of the Votes and the carefulness of the Estimates beforehand, an “automatic” excess (to use the Treasury word) ought to be rare. Excesses upon the sub-heads, I think, would be very frequent, and in my view would be a very venial offence as compared with an excess on the total Vote. It is only upon the total Vote that the Appropriation Act comes in, and that these very specific requirements are made. I should like, if the Committee will allow me, to repeat those requirements as given on page 165: “1st. There must be a necessity for the excess expenditure. 2nd. The expenditure must be such as it would be detrimental to the public service to postpone until provision could be made for it by Parliament. 3rd. The application to the Treasury must represent the circumstances which render the additional expenditure necessary. 4th. The proceedings must be subsequently submitted for Parliamentary sanction.” It is not, and ought not, in my judgment, to be a very frequent case that the Admiralty would be forced to exceed the total of a Vote without having sufficient knowledge to come to Parliament for a Supplementary Vote before they do so, and it is only in that kind of case that this question really arises, unless it is a deliberate excess.

640. (To Mr. Hamilton.) As a matter of fact, I think the Admiralty never come for Supplementary

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Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., and
Sir G. FITZGERALD, K.C.M.G.

[Continued.]

NAVY APPROPRIATION ACCOUNT.

Excesses on Votes—continued.

Chairman—continued.

mentary Estimates like the Civil Service Departments do; they always appeal to the Treasury to exercise their power under this clause in the Appropriation Act, do they not?—They appeal to the Treasury to exercise their power, but it would not follow that the Treasury exercised it.

641. What I mean is, that whenever there is money on any of the other Votes they would not come with Supplementary Estimates as a Department in the Civil Service would, but they would apply to the Treasury, and they have applied to the Treasury, as a rule, to exercise their power under the clause in the Appropriation Act?—Yes, if the expenditure which is unprovided for relates to a service for which some, but an inadequate, provision has been made, it is doubtful whether the power could properly be exercised in the case of an entirely new service for which no Parliamentary provision whatever has been made.

Mr. Jackson.

642. There is this further answer, is there not, that as regards the Supplementary Estimates for the Civil Service they are necessary, because there is no power to transfer a surplus from one Vote in the Civil Service, to meet the deficit on another Vote, as is the case in the Navy Votes?—The Votes in the Navy and Army correspond much more to the Sub-heads of the Civil Service Votes. There was an instance the other day which I may mention as an illustration. Parliament was asked to sanction a Supplemental Grant to the Navy in respect to a collision to the amount of 45,000*l.*; that, of course, was wholly unprovided for in the Estimates. Whether or not the Admiralty had found sufficient savings on other Votes to have met that demand, they would have probably had to submit a Supplemental Estimate, because, as I understand, this was wholly and entirely a new Service, for which Parliament had not provided anything. (Sir Gerald FitzGerald.) Moreover, we did not anticipate having a surplus upon other Votes that would enable us to pay that amount this year.

Mr. Arthur O'Connor.

643. I do not know whether I quite understand the position of matters; am I right in thinking that when the Treasury wrote to the Admiralty the letter of 2nd November 1888, in which they give it as their opinion that “deliberately incur an excess on, say, a Store Vote without obtaining the previous authority of the Treasury to defray it out of savings would in point of law be an act of misappropriation,” that communication came upon the Admiralty with surprise, having regard to their previous experience of the Treasury?—It was a more stringent interpretation of their rulings on the subject.

644. Was it in strict conformity with your previous relations with the Treasury, or did it

NAVY APPROPRIATION ACCOUNT.

Excesses on Votes—continued.

Mr. Arthur O'Connor—continued.

strike you as being a more extreme view than had been enforced before?—It was an interpretation of the rulings which had not been so precisely defined before.

645. You of course are not directly responsible for the expenditure under any particular Vote, but is there in the Admiralty any system by which the Accountant General, or the Financial Secretary, is in continual *rapport* with the officer directly responsible for the particular Vote, so that both of them are constantly taking account of the way in which the Vote is running off?—Yes.

646. Are you personally acquainted with the condition of a Vote each particular month, or each particular week throughout the year?—Each month we get liability statements from all the spending Departments, showing how their liabilities and expenditure are progressing.

647. When did it first come to your personal knowledge that there was a deficit of 161,000*l.* over the particular Vote 10, Section I.?—When the Admiralty letter of the 28th of March was being prepared, the statement given on page 135 was prepared from information given by the different officers, and it was determined to apply to the Treasury for their sanction to these excesses.

648. Then was it not till the end of March that you, as Accountant General, became alive to the fact that there was an excess on Section I. of Vote 10 of 161,000*l.*?—It was not positively known till March.

649. Therefore so far as your Department was concerned you were not in a position to ask for Treasury sanction till that month?—Not until the month of March.

650. Confining our attention for a moment to Vote 10, Section I.; what is the practice as between the Account Branch and the officer in charge of that Vote 10, Section I., with regard to the mode in which the Vote is running out during the course of the financial year; you say that there are monthly checks as I understand?—Yes.

651. Did the statement with which you were furnished at the end of February show that the Vote was exhausted or exceeded, or that it presented a healthy balance?—We were aware the amount would have been exceeded but for the intended transfers from Vote 6 and Vote 10, Section II., at the end of the year.

652. I am speaking now of the way in which the account for this Vote 10, Section I., stood at the end of February. You told us you took stock in common with the officers in charge of each particular Vote of the way in which the Vote was running off during the year?—Yes.

653. At the end of February, or whenever the check for February was taken, how did the Vote stand?—That I cannot say. We were aware how the account stood on the 6th of February, when

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Sir G. FITZGERALD, K.C.M.G.

[Continued.]

NAVY APPROPRIATION ACCOUNT.

Excesses on Votes—continued.

Mr. Arthur O'Connor—continued.

when the liability statement for January was made up.

654. It was not exceeded then?—Not that I am aware of.

655. What was it caused that the excesses subsequent to the 6th of February?—The payments for coals, metals, paint, &c., shown at page 135.

656. I see there, under Vote 10, Section I., "B., Metals, &c., 91,000 £.; C., Coals, &c., 28,000 £.; E., Paint, &c., 42,000 £."—Yes.

657. That shows the excess on the year, but those are the sub-heads of the Vote?—Yes.

658. But what was it particularly after the 6th of February that caused the excesses on the Vote as a whole; there must have been some very large payments made or liabilities incurred after the 6th of February, which left a balance of 161,000 £. on the wrong side, seeing that on the 6th of February there was a balance on the right side?—The payments for stores are very heavy at the end of the year.

659. How are those payments made?—They are made by the Accountant General.

660. When they are made the Accountant General's own branch must be in a position to realise the fact that such payments will cause an excess?—Yes.

661. Are the payments made on the authority of the Accountant General's branch, or on the authority of the branch charged with the expenditure under Vote 10, Section I.?—All the payments are approved by the Financial Secretary, and come to the Accountant General for payment.

662. The payments are suggested, I suppose, by those in charge of the Vote immediately?—They are, as a rule, submitted to the Financial Secretary, who approves of the purchase of stores and the payments for them.

663. By whom is that submission made?—By the Director of Stores, or the Director of Victualing, or the head of the particular Spending Department.

664. With regard to Vote 10, it is the Director of Stores, I presume?—Yes, as to Vote 10, Section I.

665. Then, as I understand, it was the Director of Stores who subsequently to the 6th of February submitted to the Financial Secretary, for his approval, payments which involved an excess of 161,000 £. on the Vote?—I believe that to be the case.

666. And the Financial Secretary approved?—He approved.

667. It was only after the approval of the Financial Secretary that these payments were made through the Accountant General's branch?—That is so.

668. So that, so far as you personally are able to inform us, your answer is this; that on the 6th of February there was a balance available, and between that date and the end of the financial 0.80.

NAVY APPROPRIATION ACCOUNT.

Excesses on Votes—continued.

Mr. Arthur O'Connor—continued.

year, the Director of Stores submitted certain payments for approval, the Financial Secretary approved those payments, and you in the ordinary course in your branch, you simply paid them?—Yes.

669. Is there anything in the shape of a new regulation which would now enable you, as Accountant General, in the case of a recurrence of that situation, to point out that an excess would be caused by the proposed payments so as to stop the payments and prevent an excess?—I can recommend that the payments should not be made if they would cause an excess on the Votes.

670. Since when have you had that power?—Since September of last year.

671. At the time that this correspondence refers to you were not in that position?—No.

672. The responsibility rested with the Director of Stores, who made the submission, and the Authority who sanctioned the Bill?—Just so.

Mr. Lane.

673. As to the defence of the Admiralty for applying a surplus on one Vote to meeting the deficiency on the other, you say that the Admiralty intended to make a proportionate deduction in the Estimates for the coming year?—Yes.

674. I wish to call your attention to page 136; there is an excess on Vote 10, Section II., of 17,000 £., which is caused by an advance of 20,000 £. being paid to the contractors for machinery, to which the Treasury take objection, and in the letter in which their objection is they say, in the concluding paragraph, that "it will be necessary for the Board of Admiralty to cause 20,000 £. to be abated from the total of Vote 8, Section III.," in the accounts of 1888-89; and in reply to that the Admiralty write back on the 14th of June to say that "my Lords regret that they will be unable to comply with the suggestion to reduce the total of Vote 8, Section III., by 20,000 £."; how do you reconcile that action on the part of the Admiralty with your defence of this expenditure?—That 20,000 £. consists of two advances of 10,000 £. each for the machinery of the "Victoria" and the "Sanspareil." The Admiralty considered that the payment in 1887-88 was in lieu of other payments that would have to be met in the following year.

675. But as that 20,000 £. was provided for in the Estimates of the coming year, and you paid it out of the surpluses of the year 1887-88, why did you not reduce the Estimates of the coming year by that sum, as it would not have to be paid?—Because other work was left over which would have to be paid in the following year. That question is dealt with at paragraph 12 of the Comptroller and Auditor General's Report, under the heading "Advances to Contractors for Machinery for Propelling."

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Sir G. FITZGERALD, K.C.M.G.

[Continued.]

NAVY APPROPRIATION ACCOUNT.

Excesses on Votes—continued.

Mr. Lane—continued.

676. Do you think that that action on the part of the Admiralty is consistent with the defence you have alleged?—The other work that had to be paid for in the following year was not provided for in that, but in the current year, and therefore the Admiralty considered they were justified in making that payment; we hope at the same time

NAVY APPROPRIATION ACCOUNT.

Excesses on Votes—continued.

Mr. Lane—continued.

to make a reduction in the present year to the amount of 20,000 l. on that Vote.

677. But in their letter of the 14th of June the Admiralty point blank refuse to make that reduction?—Yes, for the reasons stated.

[The Witnesses withdrew.]

A P P E N D I X.

PAPER handed in by *Mr. E. W. Hamilton, c.B.*, 13th March 1889.

TREASURY MINUTE dealing with the **THIRD REPORT** of the **COMMITTEE of PUBLIC ACCOUNTS**, 1888, dated 12th January 1889.

My Lords read the Third Report of the Committee of Public Accounts, 1888, upon the changes introduced into the Form of the Navy Estimates for 1888-89.

My Lords fully accept the statement of the Committee that the Treasury is as responsible for the form in which Estimates are submitted to Parliament as for the form in which each Spending Department renders its account, the Estimate being in fact the precursor and foundation of the Account.

They also agree that no extensive and important change in the form of an Estimate should in future be allowed by them to be adopted before it has been submitted to and approved by the Committee of Public Accounts.

The recommendations of the Committee accord in all respects with the views already expressed by this Board, and therefore My Lords need only summarise them. The recommendations are as follows:—

- (1.) That the provision for Navy half-pay should be restored to the charge for Non-Effective Services. Pars. 11, 13.
- (2.) That provision for Scientific Services and Naval Training Establishments (including possibly provision for the Boys' Training Ships) should be inserted in the same Vote. Par. 19.
- (3.) That, in Vote 8 for Expenses of Shipbuilding, &c., (1) such service as "Hire of Teams" in Section I., Sub-head B., should either be provided for in a separate Sub-head, or should be represented by a separate item in the detail of the Sub-head which provides for it; and (2) such services as Naval Stores and Machinery should be separated under distinct Sub-heads as formerly. Pars. 20—24.
- (4.) That the Distribution Tables annexed to the Shipbuilding Vote and Works Vote, which combine Cash Expenditure with the value of Store Issues, cannot form an integral part of the Cash Estimates, and that the tables themselves should therefore be placed in Appendices, where they will be equally serviceable as a means of informing Parliament and as a check on the Expense Accounts when examined by the Comptroller and Auditor General. Pars. 25, 27 and 44.
- (5.) That the Programme of Works in progress on Shipbuilding, &c., and the abstract of Estimated Expenditure on ships named in the Programme should be removed to the end of the Estimate Volume. Par. 28.
- (6.) That the Navy Works Estimate should be made to conform, as near as circumstances will permit, with the Army Works Estimate, and should be subjected to the rules laid down in the Treasury Minute of 24th November 1870, whereby excesses of expenditure on new works, costing over 1,000 £., are subjected to Treasury control. Pars. 30—43.
- (7.) That the "Left-hand Statements" prefixed to each Vote, and giving, in elaborate detail, the amounts provided under other Votes for the Service with which the particular Vote deals, should be curtailed and simplified on the model of the brief statements of "Charges to be provided for in other Votes," which are to be found in the Army Estimates, and that they should be presented in that form, and not in a left-hand column. Par. 46.
- (8.) That the left-hand column to the Table of Sub-heads in Part II. of each Estimate, and the similar column often introduced into Part III., should be omitted. Par. 47.
- (9.) That with these modifications the Estimates for 1889-90 should be submitted in the same form as those for 1888-89. Par. 52.
- (10.) Lastly, that the Admiralty and War Office should then consider with the Treasury "whether a form of Estimate insuring approximate uniformity for both Departments might not be framed and laid before the House of Commons "with a view to its being permanently adopted." Par. 52.

The Admiralty have by their letter of 22nd December explained to this Board the measures by which they propose to meet the recommendations of the Committee, and My Lords are glad to be able in the main to give their cordial approval to the Admiralty proposals. A separate letter will be sent in reply to the letter in question.

My Lords read the Committee's final recommendation in connection with (1) paragraph 5 of the Committee's Report in which they call attention to the serious consequences of destroying continuity of form in Estimates, and the consequent means of comparing the expenditure of one year with the expenditure of another year; and with (2) paragraph 49 of the Report in which the Committee advise that when similar services are provided for in Army and Navy Estimates, a uniform method of providing for them should, as far as possible, be adopted.

My Lords accordingly understand the Committee to recommend the appointment of an inter-departmental Committee, representing the Treasury, Admiralty, and War Office which should take the Army and Navy Estimates into consideration with a view to determining which parts of those Estimates are susceptible of reduction to a common form. Such a Committee might proceed with their inquiries as soon as the Army and Navy Estimates for 1889-90 are presented, in order that any proposals which they may make may be submitted to the judgment of the Committee of Public Accounts next Session.

It only remains for My Lords to notice two points in the Report, which do not amount to recommendations:—

Pars. 26 and 27.

“(1.) A suggestion has been made to the Committee that the money value or quantities of Stores to be issued in the year for which the Estimate is framed might, like the numbers of the Army and the Navy, be made the subject of a Vote or Resolution of Parliament separately from the Vote of Cash to be expended in the year. The Committee point out that, should the Admiralty resort to this step, they must be prepared to submit to the Parliamentary restraint as well as Treasury control which will necessarily be entailed by such an arrangement, though the limits of such restraint and control would have to be determined after careful consideration.

“(2.) The other point relates to the remarks of the Committee in paragraph 48. My Lords are glad to find the Committee emphasising the contention of this Board, that no action on the part of the Comptroller and Auditor General can relieve the Accounting Department itself from the responsibility which devolves upon it for the accuracy of its own accounts, and for exercising by means of its own officers an efficient control over the disposal of its stores.

1. Send copy of this Minute to the Admiralty for their information, and ask for their observations upon the proposal to appoint a Committee to consider the 52nd paragraph of the Report.

2. Write to War Office inviting their observations on the last paragraph of the Third Report of the Public Accounts Committee this Session, read in connection with the enclosed copy of the Minute of this Board, dated the 12th instant, dealing with that Report.

3. Send copy of this Minute to the Comptroller and Auditor General for his information.

SECOND
REPORT
FROM THE
COMMITTEE
OF
PUBLIC ACCOUNTS:
TOGETHER WITH THE
PROCEEDINGS OF THE COMMITTEE,
MINUTES OF EVIDENCE,
AND APPENDIX.

*Ordered, by The House of Commons, to be Printed,
10 April 1889.*

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THIRD
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FROM THE
COMMITTEE
OF
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PROCEEDINGS OF THE COMMITTEE,
MINUTES OF EVIDENCE,
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COMMITTEE OF PUBLIC ACCOUNTS.

Committee nominated,—[*Thursday, 7th March 1889*]—of—

Sir John Lubbock.	Mr. Jackson.
Sir Walter Barttelot.	Mr. Lane.
Mr. Salt.	Mr. Sydney Buxton.
Mr. Barran.	Mr. Arthur O'Connor.
Sir Richard Temple.	Mr. Wodehouse.
Sir Ughtred Kay-Shuttleworth.	

Ordered,—[*Tuesday, 12th March 1889*]:—THAT the Committee have power to send for Persons, Papers, and Records.

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T H I R D R E P O R T.

THE COMMITTEE have considered the Matters to them referred, and have agreed to the following THIRD REPORT:—

NAVY APPROPRIATION ACCOUNTS.

EXCESS ON VOTES.

1. THE Admiralty incurred deficits on two Votes, and defrayed these excesses out of savings on two other Votes, without obtaining the previous Treasury sanction required by the Appropriation Act. This is the first occasion, since the passing of the Exchequer and Audit Act, on which the Treasury has declined to approve the use of surpluses on other Navy Votes to meet such excesses. The occurrence is, therefore, in this respect unprecedented. It has been the subject of correspondence between the Admiralty and the Treasury, of comment by the Comptroller and Auditor General, and of evidence before your Committee. They have thus been led carefully to consider a question which has frequently been the subject of Reports from former Committees of Public Accounts; namely, what are the conditions which should be fulfilled before a surplus on one or more Naval or Military Votes may be applied to meet deficiencies on others?

2. This question was very fully reported upon by the Committee of Public Accounts in 1862. They described in detail the successive changes made by Parliament in 1832, 1846, and 1858 in regard to the limitations imposed on the powers formerly exercised by the military and naval departments of transferring the surplus of one Vote to meet the deficiency on another. A consideration, first, of the amount voted by Parliament for certain services which had been applied to others; and, secondly, of the excesses and surpluses on the particular Votes, pointed to “the necessity of some further check on the power of transfer.” . . . The Committee of 1862 proceeded to report as follows:—“In the year 1860-61 the transfers in the Army and Navy services amounted to 962,655*l*. Your Committee do not wish to imply “that the sums thus spent were not required for the public service, or that the “transfer was not in strictness within the powers of the Government; but they “conceive that the existence of the power facilitates the presentation of in- “correct estimates, and consequently leads to an application of money “voted for one Service to another, for which it was not appropriated by “Parliament. . . . Your Committee have given to the subject their most “careful attention, and have unanimously come to the opinion that the power “of transfer should be subjected to some further check.”

Second Report of
the Public
Accounts Com-
mittee, 1862.

After discussing certain alternative proposals, the Committee of 1862 concluded with the following recommendations:—

“On a full consideration of the many difficulties attending the question, “your Committee recommend, that the power of transfer from the surpluses “to meet deficiencies should be continued; but that such transfers should “be considered as temporary advances, and should require the subsequent “sanction of a Vote of Parliament.

Second Report of
the Public
Accounts Com-
mittee, 1862.

“According to this proposal it will be the duty of the Department, “when any unexpected expenditure shall become necessary, which will “occasion

"occasion an excess on a particular Vote, to apply to the Treasury and state, in writing, the reasons for such application. So again, when any expenditure has occurred, without the knowledge of the Department, which will cause an excess on the Vote, a statement in writing should be made to the Treasury as soon as it becomes known to the Department, with the reasons for such excess.

"On receiving and considering these statements the Treasury will judge whether an application should be made to Parliament for a Supplementary Vote, or whether the additional expenditure may properly be met by an advance from the surplus; and in the latter case will then have the power to authorise, in writing, such transfer from the surplus as may be required. At the making up of the final account copies of these applications, and of the Treasury letters and warrants, should be presented to the House.

"A Vote would then be proposed to meet any deficiencies, and the surpluses would be surrendered to the Exchequer. By this arrangement, which your Committee submit to the judgment of the House, the Government will not be fettered by any rule injurious to the public service; the temporary power which they may exercise will have the sanction of law, and the House will have the transfers that have been made brought before them ultimately in the shape of a Vote."

Report of
Public Accounts
Committee, 1864,
para. 8.
25 & 26 Vict. c. 71,
s. 26.

3. In accordance with these recommendations an important change was introduced into the language of the Appropriation Act of 1862, and the enactment then made has been repeated annually. It is as follows:

"Provided always, that if a necessity shall arise for incurring expenditure not provided for in the sums appropriated to Naval and Military Services by this Act, and which it may be detrimental to the public service to postpone until provision can be made for it by Parliament in the usual course, the respective departments shall forthwith make application in writing to the Commissioners of Her Majesty's Treasury, for their authority to defray temporarily such expenditure out of any surpluses which may have been or which may be effected by the saving of expenditure upon Votes within the same department, and in such applications the department shall represent to the Commissioners of the Treasury the circumstances which may render such additional expenditure necessary; and thereupon it shall be lawful for the said Commissioners to authorise the expenditure unprovided for as aforesaid to be temporarily defrayed out of any surpluses which may have been or which may be effected as aforesaid upon Votes within the same department; and a statement showing all cases in which the Naval and Military Departments shall have obtained the sanction of the said Commissioners to any expenditure not provided for in the respective Votes aforesaid, accompanied by copies of the representations made to them by the said departments, shall be laid before the House of Commons not later than one month after the Accounts of the Receipt and Expenditure for Navy and for Army Services for the year shall respectively have been rendered to the Commissioners of Audit, if Parliament be then sitting, and if not, then within one week after Parliament shall be next assembled, in order that such proceedings may be submitted for the sanction of Parliament, and that provision may be made for the deficiencies upon the several Votes for the said Services in such manner as Parliament shall determine."

Report of Comptroller and Auditor General on Navy Appropriation Accounts, 1887-8, page 165, para. 1.

4. As to the effect of this enactment, the Comptroller and Auditor General points out that "the Admiralty cannot legally apply a surplus under one Vote to meet a deficit under another without Treasury sanction, and the Treasury can only give this sanction temporarily, and then subject to the following conditions:—

"1st. There must be a necessity for the excess expenditure.

"2nd. The expenditure must be such as it would be detrimental to the public service to postpone until provision could be made for it by Parliament.

"3rd. The

" 3rd. The application to the Treasury must represent the circumstances which render the additional expenditure necessary.

" 4th. The proceedings must be subsequently submitted for Parliamentary sanction, &c."

To this analysis of the enactment may be added that, on discovering the necessity for the excess, the department must *forthwith* make application in writing to the Treasury.

5. The mode of obtaining "the most formal consideration and sanction of the House" in respect of an advance temporarily authorised by the Treasury, under this statutory power, was suggested by the Committee of Public Accounts in 1864, and has been followed, a resolution of a Committee of the whole House having been sought in such cases. Resolutions of this nature have since 1879, in accordance with a recommendation of the Committee of Public Accounts of that year, contained a detailed statement of surpluses and deficits on the several Votes.

Report of Public Accounts Committee, 1864, paras. 12, 13.

Second Report of Public Accounts Committee, 1879, para. 81, and Treasury Minute of 27th October 1879, viii, paras. 78-81.

6. In 1876, the Committee of Public Accounts called attention to the fact that the habitual use made by the Admiralty of the power of applying, with Treasury consent, surpluses on certain votes to meet deficiencies on others, instead of obtaining a Supplementary Estimate, tended "to a great extent to render nugatory the control of the House over the separate Votes." The Committee further remarked: "In a service like that of the Navy, where unforeseen demands must from time to time arise, some such power is undoubtedly necessary; and the provision of the yearly Appropriation Act, which requires the consent of the Treasury in its exercise, is intended to guard against its unnecessary use." Having shown that this object had not been fully attained, "as in some cases the consent of the Treasury is not applied for until after the excess of expenditure has been incurred," the Committee expressed their opinion "that the Treasury should be informed at the earliest practicable date of any probable excess on a Vote," and its consent asked for transferring a surplus anticipated on other Votes.

Para. 74.

Para. 75

Para. 76.

Para. 77.

7. In 1879 the House passed the following Resolution:

"That it is desirable that a statement of every case in which the Naval and Military Departments have obtained the sanction of the Commissioners of Her Majesty's Treasury to the application of an actual or anticipated surplus on one Vote, to meet a deficiency on another Vote within the financial year, setting forth the representation made to them by the respective Department, be laid upon the Table of the House within three weeks after such sanction shall have been given, if Parliament be then sitting; or, if Parliament be not then sitting, within three weeks after the next meeting of Parliament."

Resolution of the House, 4th March 1879.

Your Committee are of opinion that Treasury Minutes presented to the House in pursuance of this Resolution should be printed and circulated, in order to bring such statements by the Treasury under the notice of the House. The Select Committee on Army Estimates reported to a similar effect last Session.

Fourth Report, Army Estimates Committee, 1888, pages xi, xii.

8. Your Committee have referred to the Report of 1862, and to the various steps subsequently taken in connection with the annual enactment, in order that the reasons for the existing law and practice, and the solid basis of experience on which that law and practice rest may be brought to the notice of the House.

9. There has frequently been a not unnatural inclination on the part of a department to become restive under restraints upon their liberty to expend the money voted for a given year, if not upon the objects expressly approved, then upon other objects, rather than surrender it to the Exchequer. Your Committee desire to record their opinion that the restraints imposed by the section in the Appropriation Act are in themselves wise and necessary, and

Second Report of
Public Accounts
Committee of
1862.

that experience prior to 1862 shows that their relaxation would probably "facilitate the presentation of incorrect estimates, and consequently lead to "an application of money voted for one service to another for which it was "not appropriated by Parliament," without any recognition of the right of Parliament to be consulted.

Q. 911.

10. No complaint has been made to your Committee that the Treasury has unjustly or unreasonably withheld the temporary sanction which it is empowered to give. Mr. Forwood, the Financial Secretary to the Admiralty, bears testimony to the fact that the Treasury meets the Admiralty "very reasonably and very "fairly as regards the utilisation of surpluses."

Q. 918.

Your Committee fully recognise that cases have occurred, and will doubtless occur again, where money granted by Parliament under a particular Vote can properly be applied to an excess on another Vote. The Treasury has certainly not, in your Committee's opinion, hitherto been too rigid in the requirements it has exacted from the Departments before consenting to exercise its discretion. Indeed, as Mr. Ryder, of the Treasury, stated in his evidence, it is under the influence of criticism from the Audit Office and the Reports of the Public Accounts Committee that the Treasury has of late years "drawn "rather a tighter rein."

Q. 962. 982-6.

Your Committee commend the position taken up by the Treasury, especially in resisting the tendency of a Department to regard the application for temporary Treasury sanction as a mere "matter of form," and in insisting, in accordance with the recommendation of 1876, on having information in writing at the earliest practicable date of any probable excess. If this condition is fulfilled, the Treasury will doubtless exercise its power, in relation to these applications, with full consideration for the necessity or urgency of the particular case.

Cases are also liable to occur of unforeseen excesses, only discovered by the Department after the close of the financial year, or when the accounts are finally made up. The Treasury has, in your Committee's opinion, acted reasonably in holding that in such cases it may exercise the lesser power of giving an *ex post facto* sanction, seeing that it possesses the greater power under the Appropriation Act of giving its previous sanction where an excess is deliberately incurred. At the same time, the Treasury should discourage any tendency, on the part of the Departments, to bring excesses, which by the exercise of care and foresight might have been avoided, within the category of unforeseen excesses.

11. The deficits, which were met out of surpluses, without the sanction of the Treasury, in the year ended 31st March 1888, occurred under the Store Votes, and amounted to 49,895 *l.* 2 *s.* 1 *d.*, under Vote 2, and 141,380 *l.* 13 *s.* 8 *d.* under Vote 10, section 1.

Treasury letter,
dated 11th April
1888.
Navy Appropriation
Accounts,
p. 186.

Q. 934.

Application was not made to the Treasury until 28th March 1888, nor received until 29th March, the day before Good Friday, and two days before the end of the financial year. The refusal of the Treasury to approve the use of surpluses on other votes to defray these deficits was based on the ground that this application did not arrive "in time to admit of its consideration and "of a reply being made to it before the close of the financial year." The Treasury claimed that a request to authorise an excess of the kind in question should be made in good time, so as to give the Treasury "an effective voice "in determining whether the excess is to be incurred or not, and how "it is to be met." The Admiralty letter contained no allegation as to the necessity or urgency of the expenditure which had led to the two deficits. Moreover, the excess expenditure had already been incurred, and a Minute of the Accountant General of the Navy had stated to the Board of Admiralty in February that "it will be desirable at as early a date as possible to obtain "Treasury sanction for the transfers of surpluses on some Votes to meet the "deficits on others."

Navy Appropriation
Accounts,
pp. 17 and 86.

12. Your Committee have inquired into the explanations given in the Appropriation Accounts, that the greater part of these deficits were incurred "to replenish stocks." The Director of Stores and the Director of Victualling respectively

respectively admit the truth of the criticisms of the Comptroller and Auditor General, and state that although the purchases were for stock, they were not to replenish stocks that were too low. The explanations given in the Accounts are therefore incorrect. Q. 1003, 4. Q. 1012.

13. In conclusion, your Committee can only trust that, after the notice that they have taken of the grave irregularity which has occurred, the Admiralty will be careful in future to comply with the conditions imposed upon them by the Appropriation Act, and to adhere strictly to the course of procedure prescribed by the decisions of the House and its Committees, and particularly that they will inform the Treasury at the earliest possible date of any probable excess on a Vote. These recommendations, as to the course which should be pursued in future, are applicable to the Military as well as the Naval Department, although it is only upon the accounts of the latter that the point has this year arisen.

The Treasury, having achieved the object of bringing this particular case to the attention of your Committee and of Parliament, will doubtless now consider whether its authority may not be given for the use that has been made of the surpluses. In any case, the sanction of the House to the proceedings will still be needed, in accordance with the Appropriation Act.

ADVANCES TO CONTRACTORS.

14. The practice of making advances to contractors which were not claimable under the specific conditions of their contracts is another subject on which remarks have frequently been made by Committees of Public Accounts.

In 1883 the opinion was expressed that "the exercise of this power should be carefully watched, and as far as possible confined to special cases where, although the instalment is not due, the advance has been really earned." The Treasury consider a special case as established when the work done, for which a payment is proposed to be made at an earlier date than is named in the contract, is work for which Parliament has provided in the grant for the year; so that if the money were not paid the charge "would be thrown from one year, in which provision has been made, into another year in which provision for the work has not and could not have been made." The Public Accounts Committee last year expressed their concurrence with this view. Second Report of Public Accounts, 1883, para. 97.
Treasury Minute of 28rd January 1888, and Q. 1018.

15. Your Committee's attention has therefore been called by the Comptroller and Auditor General's Report to the peculiar circumstances under which Treasury sanction was obtained for applying surpluses under two Sub-heads to meet a deficiency on Sub-head B., Metals, &c., of Vote 10, Section 1, for 1886-87. The letter, dated 29th March 1887, announcing the excess, only reached the Treasury on the last day of the financial year, and the information given afterwards proved so imperfect that a Treasury letter of 2nd August 1888 complains that sanction was obtained for a purchase of metals out of savings which no longer existed, that the Vote was thus exceeded, and that the payment was one to which the contractors were not entitled under their contract. On the last point there seems still to be a difference of opinion between the Treasury and the Admiralty, but it is clear that on the other points, including the date, the inaccuracy of the application, and the excess caused on the Vote, the Treasury had ample grounds for their dissatisfaction. Report of Comptroller and Auditor General on Navy Appropriation Accounts, page 169, para. 8.
Navy Appropriation Account, 1887-8, D. 1, page 183.
Q. 1020-23.

16. In the following year other cases occurred of irregular advances to contractors.

17. On 24th March and 31st March, 1888, two such advances were made to a firm of contractors for timber, in the mistaken belief that money was available under the Sub-head, with the result of causing an excess of more than 13,000*l.* on the Sub-head. Q. 1024, 5.

18. On 28th March and 29th March, advances, not claimable under the contracts, were made to three firms of contractors for armour plates. It was admitted in 175. a 4

Q. 1033.

in evidence by the Financial Secretary of the Admiralty that this was "expenditure of a surplus in easement of the Estimates of the succeeding year." The Admiralty showed some indisposition to comply with the request of the Comptroller and Auditor General for further information, beyond that given in the Estimates, to enable him to ascertain whether the payment had been for work contemplated when the Estimates were framed.

Q. 1031.

19. Your Committee heard with satisfaction the acceptance by the Financial Secretary of the Admiralty, in his evidence, of their view that the Comptroller and Auditor General is entitled to any information enabling him to judge whether advances to contractors have been according to rule; but, subject to the exception already made for special cases, your Committee strongly disapprove of advances not claimable under contract; they are irregular in themselves, and are only made to avoid the surrender of a surplus to the Exchequer.

Q. 1059-64.

20. Another case of two advances to contractors for work for which provision had not been made in the Estimates for 1887-88, but in those for 1888-89, viz., in respect of the machinery for the "Victoria" and "Sans Pareil," was open to objection on similar grounds. The Treasury would, however, in this case probably have been satisfied by the explanation now given in evidence, that what was spent on the machinery of these ships had been saved on the hulls, the work on the hulls having advanced more slowly, and that on the machinery more rapidly, than had been anticipated. But it was highly irregular to make the advances without Treasury sanction, and to withhold the full explanations to which the Treasury was entitled.

ADMIRALTY MINOR ESTABLISHMENT.

21. The Comptroller and Auditor General calls attention to some points in which the provision in the Estimates for the Minor Establishment of the Admiralty was exceeded. This was done without the Treasury sanction, which, in the opinion of your Committee, should be obtained in all such cases.

LOSS SUSTAINED UNDER A CONTRACT FOR COALS.

Q. 764-5.

22. A mistake was committed in delivering at Pembroke Dockyard a small remainder of 22 tons, out of 284 tons sent to Belfast for use during the naval manœuvres of 1887. Under the terms of the contract with the coal company, 4 s. per ton above the contract price consequently became payable on half this quantity (284 tons). The peculiar clause in the contract is defended as having enabled the Admiralty to obtain better terms. But it is admitted that the remaining coal should therefore have been disposed of otherwise, and not sent to Pembroke.

EXCESS PAYMENT ON ACCOUNT OF GENERAL AVERAGE.

Q. 786.

23. In a case of certain Admiralty stores whose value had to be declared for the purposes of "general average," after a fire on board the "Navarino" in which they had been shipped, a misunderstanding led to a loss of 300 l. The Admiralty have decided that in such cases it will be desirable to have a form, and that the values of shipments shall be given thereon to the average staters in more detail than has been customary.

SALE OF SHIPS.

Paras. 166-169.

Paras. 20, 21,
of Report of
Comptroller and
Auditor General.

24. The question whether ships may in some cases be more advantageously sold by private contract than by public sale was considered by the Public Accounts Committee in 1884. They reported that "great care should be taken by the Department to secure a *bonâ fide* competition." In view of this opinion the Comptroller and Auditor General has this year called your Committee's attention to four cases in which there was no public competition.

Your Committee have examined the Financial Secretary of the Admiralty, as well as the Director of Contracts, on the subject of the sale of ships. It seems

seems clear that the old practice of private contract resulted in giving to one firm a virtual monopoly; but the Department is making efforts to open a better market, and it might be premature to press for the immediate adoption of definite regulations securing real competition in every case. Meanwhile the loss which may occur on the sale of ships is a subject which should continue to be closely watched. And the Admiralty can resort, if necessary, to the occasional breaking up of ships in the dockyards. Q. 1077.

25. In two cases where there was public competition the following unsatisfactory facts have been ascertained:—The “Lark,” built in 1880, and completed in 1881, at a first cost of 4,992 *l.*, was sold at Sydney for 877 *l.* 10 *s.*, having developed dry rot after less than eight years’ life. The “Briton,” completed in 1870–71, at a cost of 66,726 *l.*, was sold on the 15th August 1887 for 3,541 *l.* 17 *s.* 6 *d.*; she had frequently been repaired at a considerable cost, and, finally, a sum of 1,745 *l.* was spent on her at Bombay, between 30th September 1886 and 2nd February 1887, when in a moribund state from the ravages of white ants. Q. 890, &c.
Q. 394, &c.
Q. 1113, &c.
Appendices,
Nos. 5 and 7.

Your Committee hope that the Admiralty will take every precaution against the recurrence of such cases of loss and waste of public money.

PAYMENTS TO CONTRACTORS FOR STEAM MACHINERY.

26. In 1885 the Public Accounts Committee named, as a point “that should be carefully watched,” “the periods of payments made to contractors, so as to spread the expenditure more evenly on each month of the year.” A statement by the Comptroller and Auditor General shows the monthly expenditure on machinery for propelling. Out of a total of 603,847 *l.* 3 *s.* 3 *d.*, a very large proportion, namely, 245,170 *l.* 5 *s.* 3 *d.* was paid in March, and of this amount 97,948 *l.* 6 *s.* 8 *d.* was paid in the last three days of the financial year. The particular case seems capable of some explanation, as the expenditure under contracts for 22 sets of machinery did not commence until October. But postponements of payments till the end of the financial year need to be watched with care; and your Committee were assured by the witness who gave evidence on behalf of the Controller of the Navy that he agreed with this view. As this is a matter which has been the subject of repeated reports for some years past, your Committee trust that more even payments will be made in future. Navy Appropriation Account, page 187.
Q. 1118, 1122.
Q. 1120.

PAYMENTS TO THE WAR OFFICE FOR GUN-MOUNTINGS.

27. The system under which gun-mountings manufactured for the Admiralty by the War Office are taken on charge seems to be defective. Some better mode of accounting for every gun-mounting, or part of a gun-mounting, on its receipt at the dockyard, should be devised. Q. 818, 819, 820
et seq.

29 May 1889.

PROCEEDINGS OF THE COMMITTEE.

Wednesday, 3rd April 1889.

MEMBERS PRESENT :

Sir UGHTRED KAY-SHUTTLEWORTH in the Chair.

Mr. Barran.
Mr. Wodehouse.
Mr. Sydney Buxton.
Mr. Arthur O'Connor.

Sir John Lubbock.
Sir Richard Temple.
Mr. Jackson.

The Committee further considered the Navy Appropriation Accounts, 1887-88.

Further consideration of Vote 10 was postponed.

Mr. *E. W. Hamilton*, C.B., Sir *Charles L. Ryan*, K.C.B., Mr. *Ryder*, Sir *Gerald Fitzgerald*, K.C.M.G., and Mr. *R. Mills*, were examined.

[Adjourned till Wednesday next, at Two o'clock.]

Wednesday, 10th April 1889.

MEMBERS PRESENT :

Sir UGHTRED KAY-SHUTTLEWORTH in the Chair.

Mr. Arthur O'Connor.
Sir Walter Barttelot.
Mr. Barran.
Mr. Wodehouse.

Mr. Sydney Buxton.
Mr. Jackson.
Sir Richard Temple.
Sir John Lubbock.

The Committee further considered the Navy Appropriation Accounts, 1887-88.

Mr. *Forwood* (a Member of the House), Mr. *Ryder*, Mr. *E. W. Hamilton*, C.B., Mr. *Gilbert*, Mr. *Yorke*, Sir *Charles L. Ryan*, K.C.B., and Mr. *Spratt*, were examined.

DRAFT SECOND REPORT, proposed by the *Chairman*, brought up, and read the first and second time, amended, and *agreed to*.

Question, That this Draft Report, as amended, be the Second Report of the Committee to the House,—put, and *agreed to*.

Ordered, To Report, together with Minutes of Evidence, and an Appendix.

[Adjourned till Wednesday, 8th May, at Two o'clock.]

MINUTES OF EVIDENCE.

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Mr. G. L. Ryder - - - - -	1
Sir Gerald FitzGerald, K.C.M.G. - - - - -	1
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Wednesday, 10th April 1889.

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MINUTES OF EVIDENCE.

Wednesday, 3rd April 1889.

MEMBERS PRESENT:

Mr. Barran.
Mr. Sydney Buxton.
Mr. Jackson.
Sir Ughtred Kay-Shuttleworth.

Sir John Lubbock.
Mr. Arthur O'Connor.
Sir Richard Temple.
Mr. Wodehouse.

SIR UGHTRED KAY-SHUTTLEWORTH, BART., IN THE CHAIR.

NAVY APPROPRIATION ACCOUNT, 1887-88.

Mr. EDWARD W. HAMILTON, C.B., and Sir CHARLES LISTER RYAN, K.C.B.,
called in; and further Examined.

Mr. G. L. RYDER, called in; and Examined.

Sir GERALD FITZGERALD, K.C.M.G., re-called; and further Examined.

On VOTES 1 and 2.—APPROPRIATIONS IN AID.

RECEIPTS FROM INDIA FOR THE SERVICES OF HER MAJESTY'S SHIPS IN INDIAN WATERS.

Chairman.

678. (To Sir Gerald FitzGerald.) I OBSERVE that an arrangement has now been made under which an annual subsidy of 38,500 *l.* will be paid by India to the Admiralty, subject to certain conditions, but the arrangement is only for one year tentatively; I would like to ask you two questions with regard to this arrangement; first, whether the Admiralty are satisfied with this arrangement, and secondly, why it is for one year only?—The Admiralty is not satisfied with the arrangement, and the whole question is under the consideration of the Admiralty, India Office, and Treasury, as regards the future. The sanction of the Treasury has only been asked for one year tentatively, pending the further consideration of the question.

679. Is that because the Admiralty are not

Chairman—continued.

satisfied with the arrangement?—They are not satisfied with the amount which the India Office pay for these services.

Mr. Wodehouse.

680. The arrangement was made on the recommendation of a Committee, was it not?—Yes.

681. What do you propose to do; do you propose to appoint another Committee again to consider it?—Yes; that will probably be the course to be followed. The Indian Government and the Treasury, possibly, and the Admiralty will consider the question.

682. Then another Committee will be appointed to revise the decision of the last Committee?—That may be so.

On VOTE 2.—CLOTHING, &c., OF ROYAL MARINES.

Chairman.

683. It appears that supplies are made by certain master tailors and master shoemakers who are in receipt of pay from public funds, and that 0.60.

Chairman—continued.

this places them in the position of contractors; is not such an arrangement unusual and peculiar, as the Comptroller and Auditor General suggests?
A

3 April 1889.]

Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., Mr. RYDER,
and Sir G. FITZGERALD, K.C.M.G.

[Continued.]

NAVY APPROPRIATION ACCOUNT.

Vote 2.—Clothing, &c., of Royal Marines—
*continued.**Chairman—continued.*

gests?—Yes; these non-commissioned officers are in the strength of the Marine Division, but they are enlisted specially for this work; they receive the established rate of pay under Order in Council, and in addition derive certain profits on the materials which are issued to them for making up clothing and boots at a regulated scale. The prices and patterns of the articles to be made are fixed by independent officers, and have to be adhered to, while before any payment is made the articles are examined by a board of officers, to ascertain if they are in conformity with the sealed patterns, and the prices charged are certified to be those authorised. The Director of Contracts investigated this system some years ago, and satisfied himself that the arrangement was more economical than outside contracts.

684. Are you satisfied that it is a proper arrangement?—Yes.

685. (To Sir C. L. Ryan.) Have you any remark to make upon that explanation?—No, I think not. The arrangement was an unusual one, and one which we therefore thought it desirable to call attention to. It is rather for the Admiralty to consider whether it is desirable that

NAVY APPROPRIATION ACCOUNT.

Vote 2.—Clothing, &c., of Royal Marines—
*continued.**Chairman—continued.*

they should continue it under all the circumstances, or not.

Mr. Arthur O'Connor.

686. (To Sir Gerald FitzGerald.) It secures an economical treatment of the materials by the artificers?—Yes; and I might mention incidentally that the system provides employment for the women and children belonging to the corps.

Chairman.

687. On the same Vote I observe that the expenses of a new turret clock, which should have been provided out of the Vote for "Works," have been irregularly included under the Vote, and that the Admiralty themselves admit the irregularity; have you any explanation to offer on that subject?—I agree with the Comptroller and Auditor General that this expenditure should have been charged to the Works' Vote, under which it would have been looked for in future years.

688. It was carried out under the Director of Victualling instead of under the Director of Works?—Yes.

ON VOTE 3.

ESTABLISHMENT OF THE DEPARTMENT OF CONTROLLER OF THE NAVY.

Chairman.

689. (To Sir Gerald FitzGerald.) The Committee, consisting of Mr. Waterhouse and Mr. Mills, has not yet reported, I believe?—No.

Chairman—continued.

690. What stage has the inquiry reached?—That I cannot say, but Mr. Mills, who is here, will no doubt be able to tell the Committee.

Mr. RICHARD MILLS, called in; and Examined.

Chairman.

691. (To Mr. Mills.) Is there any prospect of a Report from that Committee at an early date?—Mr. Waterhouse and myself are in hopes of completing our Report shortly, and the results will be known, I dare say, before this Committee rises. (Sir Gerald FitzGerald.) May I add upon the point raised here that the Treasury is fully aware of these transfers, having been furnished with a copy of the letter addressed to the Comptroller and Auditor General on the 16th of April 1887, specifying the officers who would in future be responsible for the Store and Expense Accounts. Since then that Department has approved Vote 13 for 1888-89 and 1889-90, in both of

Chairman—continued.

which provision has been made under the Controller's Department for the officers in question, and there appears therefore no reason for hastening the formal authority, which will doubtless be forthcoming as soon as the Treasury has considered the Report of Messrs. Waterhouse and Mills' Committee.

Mr. Arthur O'Connor.

692. That almost meets the question that I was going to ask you; have these gentlemen been transferred because of the transfer of work?—Yes.

ADMIRALTY MINOR ESTABLISHMENT.

Chairman.

693. The number of established and pensioner messengers, labourers, and boy messengers returned for pay seems to have been in

Chairman—continued.

excess of the number sanctioned by the Treasury; why was not the Treasury sanction obtained for that?—The excesses of messengers over the authorised

3 April 1889.]

Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B.,
Mr. RYDER, Sir G. FITZGERALD, K.C.M.G., and Mr. MILLS.

[Continued.]

NAVY APPROPRIATION ACCOUNT.

Vote 3.—Admiralty Minor Establishment—
*continued.**Chairman—continued.*

authorised staff have been regularly provided for in the Estimates, and as each Estimate differed from the former the reason for such difference was explained to the Treasury in the letter transmitting the Vote for consideration and approval before presentation to Parliament.

694. Is that explanation quite consistent with the one given in the Report of the Comptroller and Auditor General, namely, that it has been decided to postpone any application to the Treasury until a definite scheme for future numbers shall have been formulated?—The whole establishment of the Admiralty Office is under consideration, and so far as those messengers were concerned we explained each year to the Treasury what were the causes of the excesses upon that portion of the Vote.

695. Then meanwhile, until a definite scheme has been formulated, it appears to be the practice of the Admiralty to increase their staff without obtaining Treasury sanction?—No; this is not so. The attention of the Treasury is called to any variations upon the items of the Vote.

696. (To Mr. Ryder.) Is the Treasury satisfied with that system?—Upon the Estimate for the Admiralty Office that came in for the year that has just begun that question was raised as to the number of pensioner messengers and boy messengers, and the Admiralty explained, and we gave the sanction to the numbers; I think that the Accountant General is right in saying that the Treasury has sanctioned the numbers mentioned in the Estimates.

697. (To Sir Gerald FitzGerald.) Then with respect to the charwomen, the excess appears to have arisen from an accidental omission from the Estimates?—Yes; by a clerical oversight, specific provision was omitted for charwomen from the Estimates for 1887-88 and 1888-89, for one branch of the Admiralty. This omission has been rectified in the Estimates for 1889-90; it is to be observed that the excess of 600 l. so caused has been considerably more than covered by savings effected on other portions of the Vote; and I am therefore quite unable to concur that payments made to authorised *employées* at authorised rates from the Navy Vote which provides for such service, can be regarded as irregular, as stated by the Comptroller and Auditor General.

698. (To Sir C. L. Ryan.) Perhaps you may wish to make some observation upon this point?—I should like to say, with regard to the first paragraph, that it is nothing but a quotation from the answer of the Admiralty made to us when we asked for Treasury authority for the increased numbers. Whether they have got subsequent authority by the subsequent Estimates, which is what I understand Mr. Ryder to say, does not affect the real point in our Report. On the next point we really are only quoting the Admiralty again. The answer we got from the

0.60.

NAVY APPROPRIATION ACCOUNT.

Vote 3.—Admiralty Minor Establishment—
*continued.**Chairman—continued.*

Admiralty, when we called attention to this excess, was, that "the excess arises from the omission to provide in the Estimates for 1887-88 the wages of 19 charwomen employed at Whitehall," amounting to 600 l. We can only give the answer which the Admiralty gave us when we raised the point. If there was any other explanation to be given it should have been given at the time.

699. Are you satisfied with the explanation now given?—I could hardly follow it.

700. (To Sir Gerald FitzGerald.) I understand your explanation is that you had an excess of money on the Vote, and that therefore you can regularly and properly spend it upon the charwomen?—Yes, they being authorised *employées*, and paid only at authorised rates.

701. You had the Treasury sanction for the employment of these charwomen?—Yes.

702. Then there had only been an omission to include the number of charwomen in the Estimates?—For that particular branch of the Admiralty at Whitehall.

703. (To Mr. Ryder.) Had the Treasury sanction been given for the employment of the charwomen?—I think in the Estimates there is no mention of the number of the charwomen; a lump sum is taken for the labourers and charwomen. The word charwomen occurs in the Estimates year after year, but so far as I know the Treasury have never sanctioned 19 charwomen; the Treasury have generally approved the Estimate which included a certain sum for charwomen and for labourers. (Sir Gerald FitzGerald.) That is really the same thing. The Treasury approves of an amount for the employment of this class of person, and we consider, when we are within that amount, that we can employ any number necessary.

704. Do you mean if you had an excess on the Vote, which comprises a great many subjects besides charwomen, you might apply the whole of that excess in employing extra charwomen?—Oh, no.

705. Then I do not quite follow your explanation?—I mean so long as we do not exceed the amount provided in the Estimates, and these charwomen are necessary for the Admiralty, we can employ them.

706. But is it not the fact that the Treasury are the judges of what is necessary as to the number of such *employées*?—No; I do not think the Treasury have ever considered the question as to the sufficiency of the number of charwomen and labourers employed in the Admiralty. (Sir C. L. Ryan.) Perhaps I may explain that the question did not really arise upon the numbers that were employed, but upon the amount. We found from the details of the Estimate that the portion of the Estimate allotted in respect of charwomen was 980 l., and we therefore put that query to the Admiralty, "As a considerably

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NAVY APPROPRIATION ACCOUNT.

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*continued.**Chairman—continued.*

a considerably larger amount than this has been expended in the year 1887-88 on this service it is requested that it may be stated whether the necessary Treasury sanction has been obtained to the amount," not to the numbers. The answer was that the excess arose from an omission, as has been explained.

707. You are still of opinion that the payments were irregular?—Certainly. The rule with regard to these establishments (and it applies also to copyists) is, that it is not fixed by number but by the amount, and if the amount allotted for that particular service is exceeded, Treasury sanction must be obtained, though the whole sub-head, which may include payments of a totally foreign nature, is not exceeded.

Mr. Arthur O'Connor.

708. (To Mr. Ryder.) I am not very clear with regard to the first sentence in this paragraph of the Comptroller and Auditor General; it says that the numbers of messengers and so on have been found to be in excess of the number sanctioned by the Treasury; but I think you say that the Treasury has sanctioned the number?—That is for the new Estimates of 1889-90.

709. That is beside the point; is this statement in the Report correct, as for the period of the account referred to?—I presume it is; and that the Admiralty anticipated our sanction as regards the excess of numbers; but at present we have sanctioned the full number employed.

710. For the period of this account there is an excess, is there not?—I presume it is so. I have not gone into the figures myself, but I have no doubt that the Audit Office is right in saying there is an excess.

711. (To Sir Gerald FitzGerald.) Then your answer as regards the second paragraph would scarcely cover this particular allegation?—We admitted that there was a clerical error in not providing sufficiently for the charwomen in one branch of the Admiralty.

712. I was referring to the messengers in my question?—There is no question as to the messengers, because the numbers of messengers are already given at page 28 of the Navy Estimates for 1887-88.

713. But as I understand it there were certain numbers sanctioned by the Treasury of established and pensioner messengers, and boy messengers?—Yes.

714. And those numbers were exceeded?—Yes.

Chairman.

715. Then with respect to the Civil Service copyists it appears that there was an excess there which has not received the Treasury sanction?—Yes; that excess is partly due to their being employed in lieu of Lower Division clerks. The whole staff of the Admiralty has been under

NAVY APPROPRIATION ACCOUNT—*continued.*Vote 3.—Admiralty Minor Establishment—
*continued.**Chairman—continued.*

revision for a considerable time, and, pending a settlement, the Admiralty did not consider it necessary to bring this matter specially before the Treasury; but steps are now being taken to do so.

716. Would it not be more regular to obtain the Treasury sanction in advance?—The establishment has been under revision for the last three years, and we are in doubt as to what the future establishment will be, pending the decision of the Committees that are sitting, namely, Lord Hartington's and Sir Matthew White Ridley's.

Mr. Barran.

717. Until those Committees have reported do you consider that you are entitled to spend the money first, and get the sanction of the Treasury afterwards?—No.

718. Is not that what you have done in this case?—Only in the case of the charwomen.

Chairman.

719. And also in the case of the copyists, have you not?—And also the copyists; but they have been employed in lieu of the Lower Division clerks, who have been either absorbed or have left the Department.

Mr. Sydney Buxton.

720. Do you mean you have certain Lower Division clerks authorised, and instead of employing them you have employed copyists?—Yes.

Mr. Arthur O'Connor.

721. Are copyists doing work which otherwise would have been done by Lower Division clerks?—No.

722. Then how can you substitute the one for the other?—Because we arrange for the Lower Division clerks to do the superior work, and the copyists to do the copying work.

723. I understand you to say that you had substituted copyists for Lower Division clerks?—Yes.

724. What were the Lower Division clerks doing before they were replaced by copyists?—They were, as a rule, doing the superior work of the Department.

725. Were they doing copyists' work?—In some cases.

726. How many Lower Division clerks have you in the Admiralty who are doing copyists' work?—I should think none at present.

727. There have been Lower Division clerks in the past employed in the Admiralty on what is purely copyists' work?—Yes; preparing forms and other work of that nature, which is not the work of superior clerks.

728. But now all that is at an end, and copyists do copyists' work, and Lower Division clerks do

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continued.

Mr. Arthur O'Connor—continued.

do Lower Division clerks' work; is that so?—Yes.

729. Do any Lower Division clerks do Higher Division clerks' work?—No, I think not to any extent.

730. Then whatever was the case in the past it is not so now?—Quite so.

Sir John Lubbock.

731. Can you always distinguish between Lower Division clerks' work and copyists' work; must it not sometimes happen that the Lower Division clerks are doing work which at other times would be done by copyists?—When they first come into the Department, and are learning their duties, they may be doing copying work for a time, but afterwards, when they are more conversant with the work, we put them to higher duties.

Mr. Wodehouse.

732. Was the omission with regard to these charwomen purely accidental?—Purely accidental.

733. There was no change of circumstances that led to their being included afterwards?—No.

Mr. Barran.

734. May I take it that the Admiralty Department have up to the present time been in doubt as to how far they can use the funds in their possession without first of all getting the sanction of the Treasury?—The rules of the Treasury were very strict on that subject. If they have not been complied with I cannot consider that it is the fault of the rules themselves.

735. I am asking as to what has been the practice of the Admiralty; the rules were strict; but have the Admiralty observed those rules?—I think they have observed them generally; I will not say in every case.

736. Is it not the fact that at the present time the Admiralty are in some doubt as to how far their powers will be continued of, to some extent, disregarding the instructions of the Treasury when the Report is given from the Committee that is now sitting; and they are rather anxious to wait to see what the result of that Committee's deliberations may be before they decide as to how far they acquiesce in the requirements of the Treasury?—I consider that the letter from the Treasury of 2nd November, and the article in the Appropriation Accounts cited the other day, laid down sufficiently clear rules for the Department to follow in the future, and so far as I am aware, I believe that the Admiralty intend to follow those regulations.

Chairman.

737. (To Mr. Ryder.) Are the Treasury satisfied with the explanation given with respect to the Civil Service copyists, or would they hold that before they were employed there should

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Vote 3.—Admiralty Minor Establishment—
continued.

Chairman—continued.

have been Treasury sanction even for their temporary employment?—I think the rule is that the amount provided for copyists in the Admiralty Estimate is not to be exceeded without previous Treasury sanction. I do not think that the rule has been very strictly observed by the Admiralty, and perhaps one reason is that the provision is not brought into one sum in the Admiralty Estimate, but is divided up into different branches, so that it is not easy to say what the total provision is.

738. Would the Treasury consider it a sufficient explanation that, although sanction had not been given for the employment of the copyists, so many fewer clerks have been employed?—Yes; I think that the Treasury would undoubtedly have sanctioned the excess if it had been brought before them, on the ground that it was a means of saving money in other ways.

739. But they would surely say that their sanction should have been obtained beforehand?—Yes, it should have been obtained beforehand.

740. (To Sir C. L. Ryan.) Have you any remarks to make upon this point?—No, I think not. I think practically it is admitted that the Treasury sanction should have been obtained, and that it was an omission on the part of the Admiralty not to do so. But the rule, I think, is perfectly clear; there is no doubt about it either at the Admiralty or anywhere else, that where numbers are fixed, those numbers cannot be exceeded unless Treasury sanction is given; where amounts are fixed those amounts cannot be exceeded without Treasury sanction.

Vote 10 postponed.

On VOTE 11.—PART I.

ADVANCE TO A CONTRACTOR FOR WORKS
AT PORTSMOUTH.

Chairman.

741. (To Sir Gerald FitzGerald.) It appears that an advance was made of 1,500 *l.* on the last day of the financial year to a firm of contractors upon a running account for repairs and maintenance, and that an officer of the Works' Department certifies to a value of more than the amount advanced, but the quarterly claim itself was not presented in a complete form, as is usual in such cases; have you any explanation to offer with regard to that point?—Perhaps I may read to the Committee the explanation furnished to me by the Director of Works upon this point. "At the time this charge was made the system of work for repairs was just being changed. The repairs at Portsmouth Dockyard had, up to 31st March 1888, been done by contract. In consequence of the time (six weeks) required by the contractors for measuring and making their bills, the repairs executed in each quarter had to be paid for in the following quarter, that is to say, the repairs for March quarter, 1888, would have had

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Vote 11.—Part I.—Advance to a Contractor for
Works at Portsmouth—*continued.**Chairman—continued.*

had to be paid in June quarter, 1888. On 1st April 1888, however, we commenced doing the repairs by hired men, and paying for them week by week as carried out. If, therefore, we had not paid off part of the March quarter repairs before the financial year ended, we should have had to pay in June quarter, 1888, for two quarters' repairs, that is to say for the whole of March quarter, done by contract, and for June quarter, done by day-work, and we should have had to pay in the year for five quarters. To avoid this we paid as much as we could of the repairs done by contract in March quarter, before the end of that quarter and of the financial year. By this means the repairs were charged as far as possible to the year in which they were actually done, and the whole cost of five quarters' repairs coming upon the year 1888-89 was avoided. This abnormal state of things was anticipated at the commencement of the financial year, and all officers were warned that the repairs for the March quarter were, as far as possible, to be paid within that year. There could not be the usual detailed measurements and bills forwarded, because the work had not all been measured and billed; but an estimate of the actual cost of every repair is made at the time it is carried out, and from these the superintending engineer knew that we were quite safe in paying 1,500*l.*, and it was upon his certificate to this effect that the sum was paid. I think it will be seen that the course we took, though it did reduce the saving in 1887-88 was more correct than if we had charged five quarters' repairs to 1888-89 for work, part of which was not done within that year.

742. Is it usual to make a quarter's payment without a complete statement of the work performed, the materials supplied, and so on?—In this case the engineer officer examined the work, and certified that 1,500*l.* had been earned.

743. But an officer's certificate, without details of measurement and evidence that the work has been done to support his certificate, is unusual, is it not?—Yes, it is unusual as regards Navy works, but in this case it was thought preferable to do that rather than to pay five quarters in the following financial year.

744. Could not that have been foreseen somewhat earlier, and a more complete report obtained, &c., as to the work done?—No; because the contractor takes five or six weeks to prepare his bills before they can be paid in the usual manner.

745. Even if the contractor's bills are not ready, would it not be possible for the Admiralty to obtain a detailed report that the work had been done rather than rely simply upon the certificate of an officer?—The officer made an estimate of the work done, and gave his certificate that the sum paid was duly earned.

746. I understand you to admit that it is not usual to make a payment upon a mere certificate of that kind unsupported by a more complete

NAVY APPROPRIATION ACCOUNT.

Vote 11.—Part I.—Advance to a Contractor for
Works at Portsmouth—*continued.**Chairman—continued.*

report?—That report could not have been made until six weeks after the financial year had closed. The work was verified by the engineer officer, and payment was made on his certificate.

747. (To Mr. *Ryder.*) Have the Treasury anything to say on this subject?—I think that the Accountant General has justified the advance so far as I can judge; I understand that the details of measured work and the materials supplied were obtained afterwards, and that the advance of 1,500*l.* has been justified by that evidence; I understand that the 1,500*l.* was not the whole sum that was due, but there was some margin. (Sir *Gerald FitzGerald.*) That is so. (Mr. *Ryder.*) So that if there was anything wrong it would have been corrected to a certainty.

Mr. Arthur O'Connor.

748. (To Sir *Gerald FitzGerald.*) It was only a payment on account of an unquestionable claim?—Yes.

749. The payment for which had always been contemplated throughout the financial year, and with regard to which you had, is said, special notices warning all officers that as far as possible the materials should be ready for payment in the financial year?—Yes.

Sir John Lubbock.

750. When would that payment have become due naturally?—About six weeks after the close of the financial year.

Mr. Sydney Buxton.

751. What was the advantage of making the payment of five quarters in the financial year 1887-88 rather than in 1888-89; you would have to pay five quarters in one year, would you not?—No, not entirely.

752. Surely; you paid five quarters in 1887-88; you had already paid a quarter belonging to 1886; and then you paid three quarters belonging to the year itself, and in addition to that you paid a quarter belonging to 1898?—Not a full quarter's payment.

753. Where did this extra quarter which you anticipated by a quarter originally start?—I do not quite follow the question.

754. As I understand, it takes six weeks to make up the account; therefore up to this year they have been always a quarter behind?—Yes, but that still brought four quarters in one year, until the change of system taking out of the hands of the contractor this work, and having it done by the Department itself.

755. But surely as to this extra quarter, it is simply a question of whether you should pay the fifth quarter in the financial year 1887-88, or in the financial year 1888-89, and you elected to pay it in 1887-88; the change of system made it inevitable that in one of the two financial years you should pay five quarters, either in 1887-88 or in

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Vote 11.—Part I.—Advance to a Contractor for
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Mr. Sydney Burton—continued.

in 1888-89; that is so, is it not?—That is practically so.

756. Why did you elect to pay it in 1887-88 for which you had no estimate rather than in 1888-89, for which you might have had an estimate?—Because we had the money available.

757. It would have been in the Estimates for 1888-89, would it not?—Only four quarters were provided for in that year.

758. If you had not elected to pay in 1887-88, in your Estimates for 1888-89, you would have included that extra quarter, and that would have been perfectly regular?—That is so.

759. It would have been possible to include it, would it not?—Yes.

760. And that would have been regular?—Yes.

Chairman.

761. I think, in fact, you admitted, in the answer that you just now gave, the motive that is set forth by the Comptroller and Auditor General, namely, that you desire to utilise the surplus that was available upon the rest of the Vote?—We had a surplus, and we did pay this advance out of it, as there was a change of system in having the work performed by the Department itself.

Mr. Sydney Burton.

762. In the ordinary way that surplus would have been surrendered to the Exchequer towards the reduction of the debt?—That is so.

Chairman.

763. (To Sir C. L. Ryan.) I understand you not only to object to the non-surrender of the surplus, which was, to use the common phrase, available, but also to draw attention to this as an example of a system which sometimes prevails of making payment merely on the certificate of an officer without a detailed account?—No; this paragraph in the Report applies rather to the first than the latter part of your question; I think in this particular case, that if the full explanation which has now been read had been forwarded to us by the Accountant General's Department, it is very questionable whether we should have felt that it was a case that deserved attention being called so prominently to it. It was unusual, but it was caused really by the change of system. That was not explained to us in the same full way as it has now been.

ON VOTE 10.—SECTION 1.

SUB-HEAD 10.—LOSS SUSTAINED IN CONNECTION WITH A CONTRACT FOR COALS.

Chairman.

764. (To Sir Gerald FitzGerald.) It seems that a contract was entered into with the "Powell Duffryn Steam Coal Company" to supply coal at 0.60.

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Vote 10.—Section 1.—Sub-Head 10.—Loss in
connection with Contract for Coals—contd.

Chairman—continued.

Belfast at 12 s. 6 d. per ton; but that there was a peculiar clause in that contract which provided that any coal delivered at Pembroke should be paid for at an additional rate of 4 s. per ton on at least one-half of the bill of lading quantity, which was 284 tons, and that under this clause a further sum of 28 l. 8 s. became payable in consequence of the delivery of 22 tons at Pembroke; the result was that that the coal which was contracted for at 12 s. 6 d. per ton, ultimately cost 17 s. 1 d. per ton; why was such a clause as this about Pembroke consented to in the contract?—Because it enabled us to get the freights at a very much more reasonable rate. In this particular case the ship to which the latter portion of the cargo was delivered could not take on board the remaining quantity of 22 tons, which was therefore sent to Pembroke. But there is no doubt that it would have been cheaper for the Admiralty if they had thrown overboard this 22 tons rather than have sent the ship to Pembroke to discharge.

765. Do you say that you could not have obtained so favourable a contract at the price of 12 s. 6 d. a ton unless you had consented to the insertion of this clause that there was to be 4 s. more paid on any coal delivered at Pembroke?—Yes; that is explained in the "Memorandum in Explanation of Payment of Coals" attached to the Report; where it is said that, "looking at the contract as a whole, the clause, no doubt, contributed to our securing a low rate, as ships could not have been engaged to take back to a dockyard any quantity left over at the freight for that quantity, large or small." I may explain that these coals were for the manœuvres. "It must also be borne in mind that these manœuvres were the first of their kind, and all the arrangements for coaling were experimental."

766. Then as regards any similar case in future, do you not think that it would be possible to avoid having such a clause in the contract?—Yes; such arrangements might possibly be made.

Mr. Jackson.

767. Would it not be better to give it away somewhere, where you land the remainder?—The captain in exercising his discretion might have given it away.

Chairman.

768. Was the captain aware of this clause in the contract?—Yes.

Mr. Arthur O'Connor.

769. But the officers commanding ships do not know the terms upon which the coal is bought by the Admiralty authorities, do they?—They get a copy of the contract; or the charter party would show it probably.

770. Would the officers commanding ships at the station have known the terms of the contract?

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Vote 10.—Section 1.—Sub-Head 10.—Loss in connection with Contract for Coals, &c.—*contd.*

Mr. Arthur O'Connor—continued.

tract?—They might or might not have known of this clause; had the ship been able to take the 22 tons on board, we should have been freed in this case from the condition laid down in the contract.

Chairman.

771. In a similar case in future would it not be well specially to draw the attention of the captain of the ship to the clause in the contract?—I am informed that the captain of the ship was specially told of this clause, but he was unable to take on board the remaining 22 tons, and thought it best to send it to Pembroke.

Mr. Barran.

772. There was a provision, I understand, that if the coal was not all delivered at the first place, it was to be taken on to Pembroke?—The condition is this; colliers at each place may be directed by the consignee to discharge at Her Majesty's dockyard any coal which may not be required by Her Majesty's ships. If so directed to discharge, the contractors are to be paid for this service the extra rate per ton named (which was 4 s. in this case), the Admiralty guaranteeing that such extra payment shall be on not less than half the original bill of lading quantity of any vessel so sent.

Chairman.

773. But that did not necessitate, did it, the sending of the remainder of the coal to Pembroke?—No.

Mr. Barran.

774. They would have had an extra 4 s. for it if they took it to Pembroke?—Yes. As I before observed, the whole of the coaling arrangements were experimental.

The further consideration of Vote 10 was postponed.

On VOTE 10.—SECTION 1.

SUB-HEAD C.—PAYMENT TO WAR OFFICE FOR COAL, &c., SUPPLIED IN 1884-85 FOR NILE EXPEDITION.

Chairman.

775. (To Sir Gerald FitzGerald.) There seems to have been much delay in the presentation of a claim for payment for coal and wood supplied for steam pinnares and patrol boats employed on the Nile in 1884 and 1885; can you give any explanation with regard to that delay?—The claim was received by the Admiralty from the War Office on the 23rd of March 1887. It was one of several old claims connected with the Nile Expedition received about that date. No reasons for the delay in making the re-claims were given, but of course it may be understood that it arose from the difficulty of auditing and passing accounts kept during actual warfare, and involving transactions with the Egyptian Government. However, in a letter of the 26th March

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Vote 10.—Section 1.—Sub-Head C.—Payment to War Office for Coal, &c.—*continued.*

Chairman—continued.

1887, we asked the Treasury whether they would hold that the delay, and the fact that all the Admiralty Accounts for 1884-85 had been long ago closed, would be sufficient reason for refusing to make an interdepartmental settlement between Army and Navy funds relating to such by-gone transactions. The Treasury reply of the 30th March 1887 advised payment to the War Office. We had no money available just at the end of that year 1886-87, so payment was postponed until 1887-88, and made on 29th April 1887, just a month after the receipt of the claim at the Admiralty.

Mr. Arthur O'Connor.

776. This is a payment, I understand, by the Admiralty to the War Office?—Yes.

777. I thought you said that all the accounts of 1884-85 were closed?—The Admiralty accounts of 1884-85 were closed.

778. I understood that the accounts with the War Office had been closed?—The Admiralty accounts for 1884-85 had been closed.

779. How could the Admiralty accounts be closed if there was still this money due to the War Office?—We knew nothing about these claims until we received the bills from the War Office; it was money advanced by the War Office in that year; but on the 23rd of March 1887, when the claim was sent to us, it was found that a portion of these claims should be paid out of naval funds.

780. Have you an item "Navy Accounts prior years" in your bookkeeping?—No, but items relating to prior years are distinguished and shown in a separate statement in the Appropriation Account.

781. Is there not a heading in your accounts like that in the War Office accounts, "Army Accounts prior years"?—No, not as a separate account.

782. As I understand, it will be for the War Office to explain this claim, and not for you to explain the payment?—It is for the War Office to explain the claim.

SUB-HEAD F.—ELECTRICAL, TORPEDO, AND OTHER APPARATUS.

Chairman.

783. (To Sir Gerald FitzGerald.) The Comptroller and Auditor General suggests as a question for consideration whether, having regard to the growing charge for fittings for arming the Royal Reserve of Merchant Cruisers, in future Navy Estimates the amount required for that purpose should not be provided under a separate sub-head of the Store Vote, or else included in the provision for the Royal Reserve of Merchant Cruisers; has that subject been considered by the Admiralty?—The suggestion of the Comptroller and Auditor General will be considered by the Admiralty, but it may not be practicable to keep these fittings separate and distinct from those supplied for naval service generally.

784. Has

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[Continued.]

NAVY APPROPRIATION ACCOUNT.

Vote 10. — Section 1. — Sub-Head F. — Electrical, &c., Apparatus.—*contd.*

Mr. Wodehouse.

784. Has it been considered by the Admiralty in view of this suggestion, or was it considered before the Comptroller and Auditor General's suggestion came before the Admiralty?—It will be considered in view of the suggestion of the Comptroller and Auditor General.

EXCESS PAYMENT ON ACCOUNT OF GENERAL AVERAGE.

Chairman.

785. (To Sir Gerald FitzGerald.) A sum of 300*l.* 0*s.* 1*d.* seems to have become a public charge in consequence of a misunderstanding respecting two steam pinnaces, which were treated in a valuation for purposes of general average, as additional to the sum originally returned. The Treasury Solicitor seems to have decided that the mistake was to be attributed to want of care in the Admiralty, for which that Department must be held liable; can you give the Committee any explanation of that?—The circumstances are correctly stated by the Comptroller and Auditor General, and are further explained in the correspondence. The Admiralty gave the shipping agents the value of the Naval and War Office Stores as 8,966*l.* 2*s.* 1*d.*, which included the pinnaces. Subsequent inquiry was made by the average adjusters as to the *arrived* value of the pinnaces, and this was furnished by the shipping agents, who added that the value of the other stores had been already advised. Hence the 3,200*l.*, the value of the pinnaces, was added to the first-named sum for general average purposes, making the amount payable 802*l.* 7*s.* 11*d.* instead of 502*l.* 7*s.* 10*d.*

786. The Admiralty admit, in their letter of the 7th February 1888, that "it would be desirable to have a form, and that the values of shipments should be given thereon to the average stater in more detail than has been customary"?—Yes, this is now done.

787. (To Sir C. L. Ryan.) Does that statement satisfy you?—Yes.

ON VOTE 10.—SECTION 2.

PAYMENTS TO CONTRACTORS FOR STEAM MACHINERY AND SHIP BUILDING BY CONTRACT.

Chairman.

788. (To Sir Gerald FitzGerald.) It seems that out of a total expenditure of 603,847*l.* and odd, as much as 245,170*l.* and odd was paid to contractors for steam machinery in the month of March 1888, and of that sum nearly 98,000*l.* was paid in the last three days of the financial year. The Comptroller and Auditor General comments upon this, and I have no doubt you

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NAVY APPROPRIATION ACCOUNT.

Vote 10. — Section 2. — Payments to Contractors, &c.—*continued.*

Chairman—continued.

will be desirous of offering some explanation upon the point?—A certain excess of payments in March beyond the strict monthly proportion is inevitable so long as money is obtained by annual Votes disposable by the Admiralty from the 1st April, and on which all contracts and agreements must have a certain dependance.

789. It seems that the payments on ships building by contract have been pretty regular in accordance with the desire expressed by the Committee of Public Accounts, but there still is this great irregularity in the payment for machinery that whereas in the whole year 603,847*l.* odd are paid, of that 245,170*l.* odd are paid in the month of March?—That is so.

790. Do I understand you to say that that is inevitable?—We have to send inspectors to examine these works, and it often happens that it is only at the end of the year that we can make those payments. We are trying in every way to spread the payments more evenly over the financial year.

791. Those efforts do not seem to have been attended with much success in the year under review, especially as so large an amount as nearly 98,000*l.* was paid in the last three days of the year?—That is unfortunately so.

792. Is there not a tendency at the Admiralty to desire to have money in hand in the last few days of the year, so that they may arrange matters between the year which is expiring, and the year which is coming in?—No. We try certainly to get rid of as much money as we can, having provided for the services in the financial year, and that necessitates these payments at the end of the year when we find that large balances are available.

793. I suppose it is rather convenient to have a large sum in hand in the last few days of the year, so that you may arrange what payments you make at the end of the year, and what payments will be made in the month of April?—It is not that. Balances accrue in the course of the year, and we ascertain what sums are available, and pay them away if we find that work has been done to justify the payments.

794. Do you not admit that payments are postponed until the last days of the financial year for the convenience of the Admiralty?—No.

795. (To Sir C. L. Ryan.) Have you any remark to make with regard to this?—No, I think not beyond what is stated in that paragraph of the Report. The matter is noticed because the Public Accounts Committee expressed the opinion that the question of the more even distribution of payments should be carefully watched. Therefore it was incumbent upon me to call attention to what was not an even distribution.

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796. (To

3 April 1889.]

Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B.,
Mr. RYDER, Sir G. FITZGERALD, K.C.M.G., and Mr. MILLS.

[Continued.]

NAVY APPROPRIATION ACCOUNT.

Vote 10. — Section 2. — Payments to Contractors, &c.—*continued.*

Mr. Barran.

796. (To Sir Gerald FitzGerald.) Is it not possible to measure up the work as it proceeds during the year, and to pay a fair average of the money due for work done periodically, rather than leaving to the end of the year such a large amount of work to be measured up?—The contractors naturally try to have certificates given for the work done up to the last day, and they possibly would not help our surveyors to take measurements to enable them to give certificates for payment until as near as possible the end of the financial year.

797. Would contractors object to have the money a little earlier in the year, if they had a chance, by the work being more regularly measured up?—We do pay them advances, but they make a spurt themselves at the end of the financial year to obtain as much money as possible before the 31st of March.

Mr. Arthur O'Connor.

798. This payment is not so much due, I understand, to the action of the Admiralty upon its own motion as to the fact that contractors, knowing the financial year is drawing to a close, send in their measurements during the month of March more heavily than they do at any other period of the year?—That is so, and they do more work, and the work becomes more complete at the end of the financial year.

799. They push up for pay-day, in fact?—Yes.

Mr. Barran.

800. Is not the pushing up for pay day rather a disadvantage than an advantage to the Admiralty?—I do not see the disadvantage of it.

Mr. Jackson.

801. In fact you get a little extra credit?—We get extra credit, and the work is paid so far as the balances at our disposal enable us to pay.

802. Do you know whether these payments are made for work that is in progress, or for work complete and delivered?—The payments for steam machinery and ships building are principally for work in progress.

Mr. Barran.

803. Do you think that there is no danger of the work being scamped by contractors for the purpose of making a great show at the end of the financial year?—No; the work is very strictly examined.

Mr. Arthur O'Connor.

804. As I understand, all this money is legally payable under the contracts?—Certainly.

805. You pay it during the financial year if you possibly can; you cannot help it if you have

NAVY APPROPRIATION ACCOUNT.

Vote 10. — Section 2. — Payments to Contractors, &c.—*continued.*Mr. Arthur O'Connor—*continued.*

the money; that is what the money is for?—Yes, if we have the money available.

806. That being the purpose for which the money is given to you?—Yes.

Mr. Barran.

807. Has this practice of paying in advance been pursued for a good many years to the same extent as it is now?—The stipulations of the present contracts allow advances to be made; in former days they did not to so great an extent.

808. How long has that system been in operation?—I think in full operation for three or four years.

809. That is really the foundation of the temptation to the Department to get rid of all the money it can before the end of the year; is not that so?—The money is disposed of for the purposes for which it was voted.

Mr. Arthur O'Connor.

810. Is there any reason why the Votes should not run off evenly in respect of machinery for propelling, as appears now to be the case in respect of ships building by contract?—We did our best to secure that.

811. But it appears from this paragraph of the Comptroller and Auditor General's Report that, in respect of ships building by contract, these payments are pretty evenly distributed throughout the year, but in respect of machinery for propelling that is not so much the case, seeing that about 45 per cent. of the whole is paid in the last month of the year; is there any reason why there should be a difference between these two?—There is no special reason known to me.

Chairman.

812. Who is there at the Admiralty who could give us more information as to the reason for this difference between the expenditure on machinery for propelling, and the expenditure on ships building in the various months of the year?—One of the officers in the Controller's Department could give information on that point.

Further consideration postponed.

PAYMENTS TO THE WAR OFFICE FOR GUN MOUNTINGS.

Chairman.

813. (To Sir Gerald FitzGerald.) The Comptroller and Auditor General comments on the absence of all evidence that the Admiralty receives the gun mountings for which payment has been made from Navy Votes, as I understand that the storekeepers do not account for the gun mountings until they are complete; would not it be

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[Continued.]

NAVY APPROPRIATION ACCOUNT.

Vote 10.—Section 2.—Payments to the War Office, &c.—*continued.**Chairman*—continued.

be possible for them to account for every article that they receive, that is, for every part of the gun mountings which they receive?—I believe not. As to the payment to the War Office for gun mountings made during 1887-88 upon a quarterly claim wherein work to a certain value was certified as having been actually done, items in completion of orders were embraced therein as well as for work in progress, and the non-production by the War Office of evidence of delivery of the completed articles at a naval establishment has not been deemed a sufficient reason for suspending payment of any portion of the claim; but the paid claims have invariably been kept in view until it has been ascertained that all the completed gun mountings have been officially received at a naval establishment, the articles meanwhile remaining in charge of officers whose responsibility to the War Department is as great as that of naval officials to the Admiralty, while any risk of the loss of these ponderous articles may be considered as out of the question.

Mr. Barran.

814. Is there no tabulated statement made as to the progress of these things?—Do you mean by the War Office?

815. By the producing Department?—The War Office keeps such statements.

816. And they trace all material to its destination?—Yes.

Chairman.

817. There seem to be two points involved here; the one is that the Admiralty appear to have no independent means of checking the War Office charges; and the second is, that the Admiralty receives certain articles without the storekeepers in the employment of the Admiralty accounting for them; perhaps we had better separate those two points?—Yes; the answer I gave just now related to the second point.

818. It seemed to me to relate rather to the first; I do not quite follow your reply with regard to the storekeepers not accounting for every article received; I understood you simply to say that you believed it was impossible that they should do so; will you explain why they should not account for every article they receive at the time when they receive it?—The answer I gave referred to the last portion of paragraph 26, where the Comptroller and Auditor General says, "I am not aware of any reason why the same evidence should not be exacted in the case of completed work performed by the War Office for the Navy, as the six months allowed for the adjustment of accounts between the Departments, after the termination of the financial year, would seem to afford ample time for professional examination and testing prior to the final charge of the payments in the books of the Admiralty."

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NAVY APPROPRIATION ACCOUNT.

Vote 10.—Section 2.—Payments to the War Office, &c.—*continued.**Mr. Jackson.*

819. As I understood your answer, it was that practically these several parts of the gun mountings were in charge of the War Office until the whole was completed, when it was handed and officially received, as you called it, by the Admiralty?—That is so.

Chairman.

820. (To Sir C. L. Ryan.) Is that so altogether?—I do not think that that is quite so. The gun mountings are actually delivered in the yard before they are brought on charge by the storekeeper. There are two points really raised; one is that we find a considerable difficulty in ascertaining that the gun-mountings delivered to the naval storekeeper are duly accounted for in the Store Accounts; and as an illustration of that I may give an instance of what I found at Portsmouth this year. I found, in February 1889, that a particular gun-mounting delivered in the yard in the early part of October 1888 had not yet been entered either in the accounts of receipt or in the gun-mounting ledgers; the verbal explanation given to me was, first, want of information as to the value which was wanted for insertion in the accounts of receipt; secondly, that the gun-mountings were not tested; thirdly, that the fittings and small parts belonging to the gun-mountings had not been received. But as a matter of fact it was not on charge anywhere.

Mr. Jackson.

821. On whose account was it on charge?—No one's.

822. Was it not in the charge of the War Office?—No, we could not trace it to be on anyone's charge.

823. But the War Office would not be able to show any receipt for it, and therefore it would still be on charge to the War Office?—(Sir Gerald FitzGerald.) Certainly. (Sir C. L. Ryan.) I cannot give a definite answer to that question without an examination of the Manufacturing Accounts of the Army, which has not yet been undertaken; if I had the Manufacturing Accounts of the Army before me I could answer the question definitely; as it is I cannot. (Sir Gerald FitzGerald.) That particular portion of the gun-mounting would not have been admitted as a proper charge by the Admiralty until the complete article was received in the yard.

824. But your answer does not quite clear the matter up; because, as I understood Sir Charles Ryan, it had been delivered to what I understand to be the Admiralty Stores Department, although it had not been recognised by the Admiralty as having been officially received; in whose charge was it?—It was on the Admiralty premises, but would remain in the charge of the War Office until they received a receipt from an Admiralty officer.

825. I understand

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[Continued.]

NAVY APPROPRIATION ACCOUNT.

Vote 10.—Section 2.—Payments to the War
Office, &c.—*continued.*Mr. Jackson—*continued.*

825. I understand your answer to be that those parts remained under the care of a War Office official until complete and tested, when they are officially received by the Admiralty?—That is the case.

Mr. Arthur O'Connor.

826. Was it delivered by carrier?—I do not know.

827. A carrier will not deliver without a receipt?—I suppose it was delivered by one of the War Office boats to the Naval Yard.

Chairman.

828. Then we come back to the question whether it would not be better when a valuable part of a gun-mounting is thus delivered to an officer of the Admiralty that a receipt should be given, and that it should be capable of being traced, and that that officer should be held responsible for this valuable article?—The Admiralty officer could not receive it officially until it was tested and found to be according to specification, and therefore it must remain as an article belonging to the War Office until that process is gone through.

Mr. Jackson.

829. But even when completed and officially received by the Admiralty, is there any receipt given to the War Office then?—Yes.

Chairman.

830. Take the case of a gun; supposing that a gun is supplied by a contractor; is there no receipt given for it until it has been tested?—No.

831. Then in whose charge is it after it has been received, and before it is tested?—It may be in the charge of the contractor, or if it is manufactured at the Arsenal, in the charge of War Office officials. We only take the guns on charge and fully pay for them in the case of a contractor, when they have gone through the necessary proof.

Mr. Jackson.

832. Supposing that a fire occurred, would you say that it was at the risk of the contractor?—I think that there is a stipulation in the contract to that effect.

833. Until the gun passed?—The contractor is responsible for the gun until it has passed the proof, and then it is taken on charge by the Admiralty officers.

Chairman.

834. Supposing that one of these valuable gun-mountings disappeared, how could you hold a storekeeper responsible?—The War Department officer would be responsible.

NAVY APPROPRIATION ACCOUNT.

Vote 10.—Section 2.—Payments to the War
Office, &c.—*continued.*Chairman—*continued.*

835. Although the article had passed from their charge into the charge of your storekeeper?—They have no certificate that it has been received by the Admiralty officials; but we know, of course, that such things could not be lost because they are very ponderous articles.

836. The position is this, as I understand; you have paid; the War Office is responsible, and yet the article is in the care of your officers?—It is in the care of our officers, but not actually taken on ledger charge.

Mr. Wodehouse.

837. You admit, do you not, the responsibility of the Admiralty officials for the care of these things?—Certainly, and we look after them. With regard to the second point, of the certificate of the army officers, I may say that in the present state of the relations between the War Office and the Admiralty the certificates of army professional officers are accepted as equivalent to those of naval officers. This arrangement is recognised as regards armament stores by the printed memorandum of agreement between the Admiralty and the War Office in regard to future procedure between the two Departments, dated the 27th June 1888, of which a copy was sent to the Treasury and acknowledged in the Treasury letter of the 11th of August 1888, without any objection being raised on the particular point. Therefore the Treasury acknowledge that the War Department officers act for the Admiralty in all cases of armaments and matters of that kind.

Mr. Jackson.

838. But following that out a little, if you accept the certificate of an officer of the War Office for a particular part of a gun, or gun-mounting, surely you could give a receipt in that certificate?—We only accept their certificate for the work done. The point at issue here is not the completed article, but a portion of it.

Mr. Barran.

839. Would it not be possible to have a supplementary receipt book for the receipt of stores, and to have a form of that kind?—I am not aware of the precise procedure; but the Admiralty officers do not give an official receipt for those gun-mountings until they are completed, and certified for as being taken on charge.

Mr. Jackson.

840. (To Sir C. L. Ryan.) Do you know whether the War Office on parting with the care of one of these pieces of gun-mounting do require any receipt?—I cannot at present answer that question.

841. (To

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[Continued.]

NAVY APPROPRIATION ACCOUNT.

Vote 10.—Section 2.—Payments to the War Office, &c.—*continued.*

Mr. Wodehouse.

841. (To Sir Gerald FitzGerald.) Why are these articles transferred to the Admiralty in an incomplete state; is it for the convenience of the War Office?—I suppose as they are parts of a very large structure, they are sent in sections, and put together by the Admiralty and then tested.

842. They are, of course, useless to the Admiralty until completed?—Yes.

Mr. Arthur O'Connor.

843. As I understand, you pay 63,000*l.* for these mountings, and then afterwards you test them. Let us suppose they fail in test, what becomes of the payment?—The War Office have to replace them.

844. Then you may have paid for 63,000*l.* worth of gun-mountings which have yet to be made?—No, I do not think, as a general rule, they are paid for until they are tested.

Chairman.

845. Surely it appears here that payments are made on account of uncompleted work; can that uncompleted work be tested?—That is only a portion of the claim. There was some portion of uncompleted work in the claim sent in by the War Office, but the major part of it was for work actually completed.

846. (To Sir C. L. Ryan.) With respect to this uncompleted work, Sir Gerald FitzGerald has explained that the difference between the system of the Admiralty with a contractor and the system with the War Office is, that they accept the certificate of professional officers of the War Office as being equivalent to the certificate which they would receive from their own officers in the case of a contractor; how far does that meet the point which you raise in the last part of paragraph 27 of the Report?—Sir Gerald FitzGerald has stated that this is a part of an official arrangement, approved by the Treasury, which I was not aware of before. If in the interests of the public service it is considered desirable that the War Office should be the only authority in this matter, of course I have nothing further to say.

847. (To Mr. Ryder.) Do you confirm the explanation that has just been given on that point?—The Treasury was very anxious to avoid duplicate establishments. When it was determined that the Admiralty should provide the money for warlike stores for the Navy that were made by the War Office, there was great risk of having duplicate establishments, and then the arrangement that we supported the War Office and Admiralty in making was, that the certificates of War Office officials should be accepted as far as possible by the Admiralty. We considered the two Departments were not really antagonistic; they had a common interest. It was not as though
0.60.

NAVY APPROPRIATION ACCOUNT.

Vote 10.—Section 2.—Payments to the War Office, &c.—*continued.*

Chairman—*continued.*

the Admiralty were dealing with an outside contractor, and really a War Office official would be as accurate as a naval official could be.

848. Are you satisfied with that arrangement, both as regards the uncompleted work and the completed work?—The whole arrangement, suppose, is experimental, but we are satisfied that it should be tried, at any rate.

Mr. Jackson.

849. It was agreed to, was it not, for the purpose of avoiding the appointment of separate officers?—Yes, to avoid duplicate establishments. I think I am right in saying that the Admiralty have a naval officer (possibly more than one) always at Woolwich looking after the gun-mountings, but he cannot go into the work in sufficient detail to enable him to sign the certificate himself, although he makes some examination.

850. In fact the Ordnance Factory is looked on as an independent concern, which works impartially for the War Office and the Admiralty?—Yes; nevertheless they are mainly War Department officials who work it. (Sir C. L. Ryan.) I observe that the actual certificate in this case is given by the Lieutenant Colonel Acting Superintendent; that is to say, by one of the manufacturing superintendents at Woolwich; it is a certificate of a man to his own work so far as that is concerned.

851. But that is subject to subsequent test, is it not?—I am not quite certain as to that.

Mr. Arthur O'Connor.

852. (To Sir Gerald FitzGerald.) I have not got an answer to the question which I put to you just now; as I understand certain gun-mountings are delivered at the Dockyard from the War Office Establishment, but they are not taken on charge till they are tested?—That is so.

853. But I understand that for such mountings, although they are not yet taken on charge, certain payments have been made in the financial year we are concerned with?—Yes.

854. Now I want to know, supposing that those particular mountings fail in the test, what becomes of the payments you have made in respect of them; you say that the War Office would have to replace the articles with others which should stand the test?—Yes.

855. By that means you will have paid the money for articles which are not yet in existence?—Yes, but the value of those articles which have been rejected by the Admiralty would be deducted from the next claim sent in by the War Office, unless they were immediately replaced.

856. Would it not be much better not to make any of those payments at all until the things had
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been

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[Continued.]

NAVY APPROPRIATION ACCOUNT.

Vote 10.—Section 2.—Payments to the War Office, &c.—*continued.*Mr. Arthur O'Connor—*continued.*

been tested?—We do not make the payments generally till the articles are completed, but, as I explained, in this particular claim some items that had not been completed and regularly taken on charge were paid for, and we kept them in view in order to take them on charge in our accounts when the testing process should take place.

857. But from the words of the Comptroller and Auditor General it would appear that that is the system, because he says "as in preceding years, the payments are in respect of both completed and the uncompleted work." Now, if that is the system, would it not be better to change it, and refuse to pay to the War Office anything until that in consideration of which you pay has been taken on charge as satisfactory?—I should think that the War Office would complain of being kept out of their money until all the parts of the mountings are delivered. The Ordnance Factories are only able to carry on their work by obtaining money from the Departments who give them orders. I do not think they could remain so long without payment.

858. Why should not the War Office be kept up to do their work properly, as well as any contractor?—They do their work properly.

859. But if they deliver the work piecemeal, so that you are a long time before you test it, they are not doing their work properly, are they?—These mountings can only be manufactured in separate parts, and put together in the naval yard.

860. But do they take months and months to make them in the separate parts?—Possibly they may in some cases.

861. Then you might have a part of a gun mounting lying in your yard through the whole financial year?—I should think not so long as that, but it might be several months before they could be tested.

862. I see that six months after the termination of the financial year is fixed as the time for settling the accounts between you and the War Office; does not that give abundance of time to allow of testing?—Yes, as a rule.

863. Why should not the War Office have to stand out of its money as well as the Admiralty?—Because the Ordnance factories, as Mr. Jackson just now explained, are dependent upon advances from other Departments; they have no votes of their own.

864. Why then should you part with your money to another Department until you have value for it?—We have value.

865. But you have not tested the articles?—They are made according to contract, and they are supposed to be fit for the requirements of the service when delivered.

866. But the money is not supposed to be payable under the contract, until they are tested?

NAVY APPROPRIATION ACCOUNT.

Vote 10.—Section 2.—Payments to the War Office, &c.—*continued.*Mr. Arthur O'Connor—*continued.*

—I think that stipulation does not exist, so far as the War Office is concerned.

867. Why should there be one contract for the War Office, and another contract for ordinary contractors?—We must treat a Government Department somewhat differently from a contractor.

868. Has your experience with the War Office, in regard to these Military Stores, been so satisfactory that you think no check is necessary?—In the Ordnance Factory the work is done very well and very few rejections take place, and I think we cannot keep them out of their money for such a time as would enable all the particular articles to be put together and tested.

869. I was not referring to the quality of the work done, but to the punctuality of delivery?—On that point I am without information.

Mr. Sydney Buxton.

870. If you did not pay in this way, on account, I suppose that the Ordnance Department would have to get estimates for themselves, and get the money for themselves?—They would.

871. The advantage of the present system is, that they get no money except what they are paid by these other Departments, is it not?—That is so.

Mr. Wodehouse.

872. (To Mr. Ryder.) You spoke of a system under which the War Office and the Admiralty work together almost as one Department, having a common interest, and you said that arrangement was only experimental; how long has that arrangement been in existence?—In its complete form it has been in existence one year; as regards the gun mountings, I think it was in 1884 that we made the change; when the Admiralty began to provide for their own gun mountings in their own estimates.

873. As regards the gun mountings, has the Treasury found any reason to feel dissatisfaction with the system, so far as it has gone?—I cannot say that the Treasury has.

ADVANCES TO SIR WILLIAM ARMSTRONG
AND COMPANY FOR GUN MOUNTINGS.

Chairman.

874. (To Sir Gerald FitzGerald.) With regard to the advances to Sir William Armstrong and Company amounting to nearly a quarter of a million, I observe that 75,500 l. was advanced on the last day of the financial year; is this case similar to those which have been repeatedly commented upon by the Public Accounts Committee in past years?—I should think it must come under the same category.

875. Have

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[Continued.]

NAVY APPROPRIATION ACCOUNT.

Vote 10. — Section 2. — Advances to Sir
William Armstrong, &c.—*continued.**Chairman—continued.*

875. Have you observed the suggestion of the Comptroller and Auditor General, that such a statement as has been furnished on page 188 should in future be appended to the Naval Appropriation Accounts?—Yes, it is proposed in future to give an additional column in the Annual Statement to show the numbers brought on account.

876. In the last two paragraphs the Comptroller and Auditor General reports that steps have been taken to ascertain whether the gun mountings shown as delivered have been duly entered upon accounts of receipts at the dock-yards. He points out that out of 79, stated to have been delivered by Sir William Armstrong, 28 have been traced into the accounts of receipt given by the officers at Chatham and Devonport, but no similar acknowledgments of receipt appear to have been furnished by the officers at Portsmouth; how does that matter stand now?—I believe that, with very few exceptions, those have been all traced up to the present time. (Sir C. L. Ryan.) All but nine.

877. (To Sir Gerald FitzGerald.) What has become of the nine?—The nine will be no doubt traced; I do not know what has become of them, but no doubt they are there, and will be traced.

878. (To Sir C. L. Ryan.) You are not, I suppose, completely satisfied as yet upon the matter?—Not so long as these nine remain untraced.

The further consideration of Vote 10, Sections 1 and 2, was postponed.

ON VOTE 14.

MISCELLANEOUS SERVICES.

EXPENDITURE UPON ILLUMINATIONS ON THE
OCCASION OF THE NAVAL JUBILEE RE-
VIEW OF 1887.*Chairman.*

879. (To Sir Gerald FitzGerald.) There was a payment of 783 l. 6 s. 6 d. for illuminations on the occasion of the Naval Jubilee Review, which is reported by the Comptroller and Auditor General as expenditure not duly authorised by the Treasury; will you explain that payment?—It was contemplated to use signal lanterns for the illuminations, but it was found that there were not enough in store, and that there was great risk of damaging those used; consequently a contract was made to supply what was required for 1,050 l. The contract being made and carried out, it was necessary to pay, although thereby the sum of 3,500 l., allowed by the Treasury, was exceeded.

880. (To Mr. Ryder.) Are the Treasury satisfied with the explanation given?—The Treasury thought that they should have been consulted 0.60.

NAVY APPROPRIATION ACCOUNT.

Vote 14. — Miscellaneous Services, &c.—
*continued.**Chairman—continued.*

before this expenditure was incurred. It is quite possible that if they had been consulted they would have sanctioned it. I cannot tell; but as request for their previous sanction had been omitted by the Admiralty, the sanction, when asked for *ex post facto*, was refused, and the Treasury thought that the Admiralty should give their own explanation to the Public Accounts Committee.

881. (To Sir Gerald FitzGerald.) Would it not be possible on such occasions to consult the Treasury before making unauthorised payments of this kind?—Certainly. I was not consulted before the contract was made, otherwise I would have called attention to the excess on the amount sanctioned by the Treasury, and would have asked that their prior sanction should be obtained before the contract was made.

882. Will that be done in any similar case in future?—I have no doubt it will be done.

Mr. Wodehouse.

883. Would it be sure to come before you in any similar case in future?—At present such cases do come before me, but at that time they did not.

Mr. Arthur O'Connor.

884. Who is responsible for that contract being made without its coming before you?—We had no notice of it till the Bills come before us.

885. Who signed the contract?—The Director of Contracts.

Chairman.

886. Would he have the power under the present system in the Admiralty of signing such a contract without its coming before you?—The proposal would be referred to the Financial Secretary to authorise the contract being made, and that paper would, under recent arrangements, come before me for observations.

887. Before it went to the Financial Secretary?—Before it went to the Financial Secretary.

888. That was not, I understand, the arrangement at the time this contract was made?—No.

Mr. Wodehouse.

889. Do you refer to the regulation of September last?—Yes.

ON VOTE 16.—Section 1.

MILITARY PENSIONS AND ALLOWANCES.

SUB-HEAD F.

GRATUITIES TO RELATIVES OF SEAMEN AND
MARINES LOST IN HER MAJESTY'S SHIP
"WASP."*Chairman.*

890. (To Sir Gerald FitzGerald.) I observe that the Comptroller and Auditor General com-
ments

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Mr. RYDER, Sir G. FITZGERALD, K.C.M.G., and Mr. MILLS.

[Continued.]

NAVY APPROPRIATION ACCOUNT.

Vote 16.—Section 1.—Sub-Head F.—Military
Pensions, &c.—continued.*Chairman*—continued.

ments upon certain Gratuities which had been paid to Relatives other than Widows and Children of Seamen and Marines of the "Wasp" which was lost on the China Station; would it not be possible to regularise such payments by an Order in Council or an Act of Parliament, and would it not be better to do so?—This seems to be a question as to the competency of the Treasury to approve such gratuities; it is not a question for the Admiralty.

891. (To Mr. *Ryder*.) Can the Treasury give authority for such gratuities being paid?—There is an Order in Council dated the 19th of December 1881, which enables the Admiralty to make gratuities of this kind with the previous concurrence of the Treasury. That Order in Council was not referred to in the Admiralty application about the "Wasp," and I am sorry to say that it did not occur to the Treasury that the Order should have been cited and the authority given under it. The regular thing would have been, I believe, for action to have been taken deliberately under that Order in Council, which we call the Dispensing Order in Council.

892. You say that there is no need for any Legislation, or any Order in Council, as you already have power to authorize such payments?—We have that power. In preceding cases, like that of the "Atalanta," before the date of that Order in Council, the Treasury sanctioned the gratuities under its traditional constitutional power of doing such things; but the Order in Council of 1881 was obtained in order to give definite scope to that power, and in order to ensure Parliament being informed of all action taken under it; because there is one clause in that Order which says that a return shall be made to Parliament of every grant under the Order.

893. (To Sir C. L. *Ryan*.) Does that statement meet the point raised in your Report?—The Order in Council to which Mr. *Ryder* refers was intended, if I understand it rightly, to meet exceptional cases, but not so much a class of cases. It is possible that if we had had our attention called to this Order at the time this paragraph was written, we should, of course, have referred to it, and possibly might have made our statement differently. That Order, however, as I understand, is not an Order for a class of cases, but rather for individual exceptional cases. (Mr. *Ryder*.) The Admiralty received a letter from the Exchequer and Audit Department on the 9th of February 1882, specially referring to this Order in Council, saying that in the opinion of the Comptroller and Auditor General its provisions would apply to the case of the "Atalanta," which is one of the cases cited as a precedent for the "Wasp," and therefore, I presume, that the Audit Office would not quarrel with the Treasury for applying the Dispensing Order in Council to the case of the "Wasp."

NAVY APPROPRIATION ACCOUNT.

Vote 16.—Section 1.—Sub-Head F.—Military
Pensions, &c.—continued.*Chairman*—continued.

894. (To Sir C. L. *Ryan*.) But you seem to entertain some doubt whether as a regular practice it would be well to use that Order in Council for such payments as these, and whether it would not be better to regularise payments to other relatives than widows and children by some special Legislation or Order in Council?—I think the reason that we have held that view is that the Treasury have restricted themselves somewhat by the Superannuation Act of 1887; that is, that there has been subsequent Legislation defining more clearly what the Treasury power should be in relation to this class of payment. I should not dispute the fact that the 1881 Order might cover the case.

895. (To Mr. *Ryder*.) Have the Treasury considered the effect of the Act of 1887 upon their powers under the Order in Council of 1881?—I think the Act relates to Civil allowances only and not to Naval. I think that the Treasury would hold that the Order in Council of December 1881, was quite sufficient as regards Naval allowances of this kind.

896. Does the Order in Council of 1881 relate solely to the Navy?—Yes; the Order in Council is for the Admiralty only. There is a Dispensing Warrant for the Army.

897. There is a Royal Warrant with regard to similar amounts for the Army, I understand?—Yes.

Mr. Arthur O'Connor.

898. Is there any book or compendium, or index showing the Orders in Council extant, giving the Treasury these different powers?—I cannot say that there is; we have memoranda of our own upon that subject.

899. Suppose that this Committee wanted a reference to the existing powers of the Treasury with regard to matters of this kind, how could they obtain it?—We could easily furnish a memorandum upon the subject. (Mr. *Ryder*.) I do not think there would be any difficulty in giving the honourable Member that information if he wishes to have it for the Army and Navy. As regards the Civil Service, there is no corresponding dispensing power embodied in a formal authority; any power of a similar nature exercised with respect to those services is the traditional discretionary power of the Treasury to give or withhold authority.

ON VOTE 17.

BALANCES IRRECOVERABLE AND CLAIMS
ABANDONED.*Chairman.*

900. (To Sir *Gerald FitzGerald*.) Have the abandoned claims referred to in the paragraph of the Comptroller and Auditor General's Report, headed "Balances Irrecoverable," been finally written off?—Yes.

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[Continued.]

NAVY APPROPRIATION ACCOUNT.

Vote 17—*continued.*

BALANCE SHEET.

UNCLAIMED EFFECTS OF DECEASED SEAMEN
AND MARINES.*Chairman.*

901. Has any final decision been arrived at by the Treasury on the subject of these unclaimed effects of deceased seamen and marines, referred to in the Comptroller and Auditor General's Report?—The Treasury, by letter dated the 6th of February 1889, agreed that the balance of unclaimed effects of deceased seamen and marines, which has been outstanding for more than six-and-a-half years, may be given to Greenwich Hospital Funds, but they consider that the authority of Parliament should be obtained for the proposed change.

902. Is it proposed to introduce a Bill for that purpose?—I think so. (Mr. *Ryder.*) The Trea-

NAVY APPROPRIATION ACCOUNT.

Vote 17.—Balance Sheet, &c.—*continued.**Chairman—continued.*

sury proposes, if possible, to insert a clause to this effect in the Omnibus Bill for this Session.

Mr. Arthur O'Connor.

903. (To Mr. *Hamilton.*) What will be the title of that Bill?—"Revenue" will probably be the title.

Chairman.

904. (To Sir C. L. *Ryan.*) If that course is taken I imagine that you will be satisfied, will you not?—Certainly.

Mr. Barran.

905. (To Sir *Gerald FitzGerald.*) What is the amount of the fund involved?—From 150 *l.* to 200 *l.* a year; that is about 1,200 *l.* or 1,500 *l.* for the six and-a-half years.

[The Witnesses withdrew.]

Wednesday, 10th April 1889.

MEMBERS PRESENT :

Mr. Barran.
Sir Walter Barttelot.
Mr. Sydney Buxton.
Mr. Jackson.
Sir Ughtred Kay-Shuttleworth.

Sir John Lubbock.
Mr. Arthur O'Connor.
Sir Richard Temple.
Mr. Wodehouse.

SIR UGHTRED KAY-SHUTTLEWORTH, BART., IN THE CHAIR.

NAVY APPROPRIATION ACCOUNT, 1887-88.

Mr. EDWARD W. HAMILTON, C.B., Sir CHARLES LISTER RYAN, K.C.B., and
Mr. G. L. RYDER, re-called ; and further Examined.

Mr. ARTHUR B. FORWOOD, a Member of the House ; Examined.

EXCESSES ON VOTES.

Chairman.

906. I UNDERSTAND that you would like to give some evidence upon a point upon which the Committee asked Sir Gerald FitzGerald some questions on the 27th of March, respecting the deficits that have arisen under certain Votes, namely, the Store Votes, Vote 2 and Vote 10, Section 1. It appears that the Admiralty only applied for the sanction of the Treasury to certain expenditure which led to those excesses on the 28th of March 1888 ; the Treasury declined to give their sanction, for two reasons : firstly, on the ground of the late date of the application, saying that their sanction could not be given within the financial year ; and, secondly, because the expenditure at the moment was unnecessary, and might have been postponed in their opinion without detriment to the public service. You have, I believe, some remarks which you would like to make upon that point?—I think the letter from the Treasury, which was dated the 11th of April 1888 (which is given at page 135 of the Appropriation Accounts), does not suggest that the payments would not be beneficial to the public service, but rather takes an entirely new departure in the Treasury practice, pointing out that the application was too late for them to consider.

907. I will come to the point of the date in a moment, but if you will look at Question 593, in the Minutes of Evidence of 27th March, I think you will find that Mr. Hamilton, on behalf of the Treasury, said that they declined not only on the ground that the application was not made in time to enable the Treasury to give their sanction within the financial year, but also

Chairman—continued.

“ because, in their opinion, the expenditure at that period of the financial year was not necessary, and it might have been postponed until voted by Parliament without detriment to the public service ”?—I see that that appears in Mr. Hamilton’s answer, but it did not appear in the letter of the 11th of April 1888, with which we are dealing.

908. You would, I understand, rather deal first with the point as to the date?—I would rather deal first with the date, if you please. As regards the date, what I wish to submit to the Committee is that on the occasion in question, when we wrote the letter to the Treasury of the 28th of March 1888, in reference to the excesses, we followed the practice that had been followed between the two Departments, at any rate, for the previous six or eight years without any question being raised on the part of the Treasury. In the Treasury letter of the 11th April occurs this passage : “ I am to state that this letter ” (that is the letter from the Admiralty) “ did not reach this Department in time to admit of its consideration and of a reply being made to it before the close of the financial year.” Our letter was dated on the 28th of March, and I will show you that letters of a similar nature in previous years, dated as late as the 30th of March, have been answered before the close of the financial year. I have the dates of various previous communications since 1882 here. In 1882 a letter was written from the Admiralty to the Treasury dated the 27th of March, it having been found necessary to order larger quantities of armour and steel plates. From that I should infer that those

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NAVY APPROPRIATION ACCOUNT.

Excesses on Votes—continued.

Chairman—continued.

those quantities had been ordered and obtained prior to this communication of the 27th of March. That letter is acknowledged by the Treasury on the 31st of March, and they sanction the proposal, and no question is there raised as is raised here as to the application being late. That application had reference to Vote 10, Section 1. Then on the 25th of March of the same year an application went from the Admiralty to the Treasury, in which it was stated that it was found necessary to use some 97,000 *l.* arising as a surplus on Vote 10, Section 2 (the hulls and machinery of ships building not being so far advanced as was anticipated), in aid of other Sub-heads of the Vote, and of Vote 6 and Vote 10, Section 1, and Vote 11. That letter was acknowledged on the 31st of March and sanctioned. That was for work then done. In the next year, 1883, the Admiralty wrote their first letter earlier, namely, on the 19th of March with regard to certain surpluses, and on the 24th of March the Treasury replied asking for some further information. A further explanation was given by the Admiralty on the 29th of March, and on the 31st of March the Treasury approved of the appropriation of 130,000 *l.* saved on certain Votes in aid of other Votes. In the same year there were two letters written in regard to two different matters; the first on the 10th of March, which was replied to on the 13th of March, and the second was the letter I have quoted of the 19th March. Then turning to 1884, a letter to the Treasury was written on the 22nd of March, which dealt also with savings on three distinct Votes, and there was one on the 24th of March, which had reference to the savings and expenditure on the same Vote. The reply from the Treasury to both those letters was received on the 29th of March, sanctioning the proposed arrangements. Then, in 1885, the letter in regard to the excesses and savings, and the appropriation of them, was dated from the Admiralty as late as the 30th of March, and the reply from the Treasury is dated as late as the 9th of April; but no question was raised as to there only being a day left to consider the proposal of the Admiralty, and the Treasury sanction was given nine days after the supposed statutory date, namely, the 31st of March. Then, in 1886, the date of the application from the Admiralty was the 25th of March, and the reply of the Treasury was dated the 29th of March. In 1887 the dates of the Admiralty applications, in reference to two distinct Votes, were the 28th of March and the 29th of March, and the replies of the Treasury were dated the 30th of March and the 31st of March. In one of the replies, namely, that of the 31st of March, I noticed that they approved the application as regards the utilization of surpluses, but defer the consideration of the mode of meeting the net deficit until the exact figures could be ascertained, showing rather that the matter was not so rigidly tied by the date of the 31st of March,

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but that it could be dealt with later on when the actual figures was ascertained. Then we come to the year in question, 1888, which was also on the 28th of March, and for the first time, so far as I am informed, the Treasury raised this objection, and said, practically, We decline to entertain the application, as it comes so late. I think that the course previously adopted by the Treasury was one decidedly in the interests of the service, namely, to give the Admiralty as long a time as possible to ascertain what the excess or deficit was likely to be by allowing them to make their communications as near to the end of the year as was possible.

909. Is that all that you wish to say upon the subject of the date?—I think that covers the point.

910. (To Mr. Ryder.) Have you, on behalf of the Treasury, any remarks to make upon the facts just stated by Mr. Forwood?—I should like to make a few explanations to the Committee. So far as regards the dates, I think Mr. Forwood's evidence is perfectly correct; but there was one peculiarity in the case of the application of March 1888, namely, that Good Friday came on the 30th of March of that year, and that is a day on which the office is closed. The Admiralty letter reached the Treasury on the 29th; the 30th was Good Friday; and it was not till the 31st that the letter reached that branch of the Treasury which has to consider the subject. That day (the 31st) was the day between Good Friday and Easter Sunday, a day when everybody who can be is probably out of town; I think I may say that it was therefore really impossible for the heads of the Treasury to consider the application until after the month was over. But the main point that I should wish to bring to the notice of the Committee is this, that the letter from the Admiralty of the 28th of March 1888 was more scanty in the information that it gave us than any previous application had been. We have on many occasions laid down in former Minutes that explanation should be given to the Treasury, not only of the excesses, the causes of excesses, the reasons why they have not been foreseen, and why they cannot be postponed, but also of the causes of the savings that were to be employed for meeting those excesses. The Treasury, I think, has always been very lenient towards the Admiralty in regard to the amount of explanation required; but the rule has been that some explanation should be given. It is possible that we may have been too indulgent in past years in the way of accepting explanations; but we felt that we had the right to some explanation. In March 1888 we were told that certain very large excesses were expected; one of them was 161,000 *l.* under Vote 10, and another was 55,000 *l.* under Vote 2; and altogether they were heavier excesses than in any one of the cases which have been mentioned by Mr. Forwood. We were told that the Admiralty expected these excesses;

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[Continued.]

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Excesses on Votes—continued.

Chairman—continued.

but we were not given a single reason for the excesses, and it was therefore clear that we should have to ask for some further information. Meanwhile the financial year would be over, and it would be impossible for us to comply with the Resolution of the House in 1879, that within the financial year the Treasury Minutes sanctioning the excesses must be presented to Parliament. I do not know whether the Committee would like me to refer to the particular cases mentioned by Mr. Forwood.

911. If there are any among them that have a special character which distinguishes them from the present case, it might be worth while to refer to them?—The only purpose I could have in referring to them would be to show that on each occasion there was something that could be called a decent explanation of the causes of the excess. In some cases there was a very full explanation given. In the case of 1884, for instance, to which Mr. Forwood referred, tables were given to us showing the services in respect of which the excess arose, with a clear description of the cause of excess in each case. It was the same in 1882, and I cannot find one case in which there was not more or less of an explanation given to us. Perhaps the time when it was most meagre was in 1885, when there was a deficit of 42,000*l.* on Vote 6. We were then told that it was requisite “in existing circumstances” for expediting the building of ironclads; that apparently had reference to political circumstances in 1885; the Treasury have always given way to the Admiralty whenever there has been any sort of evidence that the interests of the public service would be served. (Mr. Forwood.) I should like to acknowledge that the Treasury have, in my short experience, always met the Admiralty very reasonably and very fairly as regards the utilization of surpluses towards excesses; and I think it is only by such generous reading of their minutes or their regulations that it would be possible satisfactorily to conduct such a Department as the Admiralty. But with regard to what Mr. Ryder has said as to these previous cases not being analogous or as to more information having been given in those cases, I can only say that I have read carefully all the letters, the dates of which I have given, and I find that as a rule a precisely similar statement was made in those cases as was made in our letter of 28th March 1888, to which I have referred.

912. Would it not have been possible to have met both of the demands which are made by the Treasury, first of all to have given fuller information, and secondly to have made your application at an earlier date?—It would have been undoubtedly possible to have made the application at an earlier date if the Treasury had by previous intimation stated that they set some store by it, and it would have been quite possible to have given more information. We thought our application was sufficiently early, considering we were carrying out an admitted practice and

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Excesses on Votes—continued.

Chairman—continued.

an essentially convenient one, because until the later days of the month of March it is almost impossible to say with any degree of accuracy what will be the financial state of our Votes at the end of the year. Mr. Ryder's answer reminds me that communications, which I think were for the most part verbal, had been made to the Treasury that we would have large surpluses on some Votes, which would lead to an excess on others by purchases being made. I think the Treasury had the information (I do not say official information) about the intended use of that surplus on certain Votes.

913. (To Mr. Ryder.) Was there any desire on the part of the Treasury to introduce greater rigidity in the adherence to the rule as to applications at the end of the financial year?—I think it may be said that we have drawn rather a tighter rein of late years under the influence of the wholesome criticism of the Audit Office and the Reports of the Public Accounts Committee from time to time. I have before me a note of the recommendation of the Public Accounts Committee of 1876 for instance, which specially dealt with the point upon the Navy Account. They recommended that the Treasury should be informed at the earliest practicable date of any probable excess upon a Vote, and its sanction should be obtained at the same time to defray the excess. The Treasury was then more or less censured for the indulgence it had shown to the Admiralty.

914. Did the Treasury give any special notice to the Admiralty of their intention to adhere more rigidly to the rule, or did they think that the Reports of the Public Accounts Committee were sufficient notice?—We always communicate the Reports of the Public Accounts Committee to the Admiralty, and we have in various letters from time to time referred to the direction given in our Minute of 1870 particularly, that the explanations were to be given. I cannot say that at any particular date the Treasury made up their minds to be much stricter than they were; it has grown up gradually.

915. It appears from Mr. Forwood's evidence that on previous occasions the Treasury has not interpreted the Resolution of 1879 quite so strictly as it is interpreted in your letter of the 11th of April 1888. I observe that in the Resolution the words “within the financial year” do not come closely in relation to the words “the sanction of the Commissioners of Her Majesty's Treasury.” The Resolution runs thus: “That it is desirable that a statement of every case in which the Naval and Military Departments have obtained the sanction of the Commissioners of Her Majesty's Treasury to the application of an actual or anticipated surplus on one Vote to meet a deficiency on another Vote within the financial year, setting forth the representation made to them by the respective Departments, be laid upon the Table of the House within three weeks after such sanction shall have been given,” and so on. Do the Treasury now interpret that to mean that their

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Excesses on Votes—continued.

Chairman—continued.

their sanction shall be actually given before the 1st of April?—I think we hold it to be the intention that it should be asked for and given before the 1st of April, because the expenditure must take place before that date. If the deficiency is not known till too late to do that, then I think we should ask the Department to wait until all the accounts had been made up; and we should consider the matter upon the Appropriation Account, and include it in our general letter upon that account. That was what we did in 1887 in the letter which Mr. Forwood referred to. We there said that we were not satisfied with the information given, and that we would postpone our decision until the exact figures and the reasons were known, and we dealt with the matter upon the Appropriation Account as a whole.

Mr. Jackson.

916. (To Mr. Forwood.) What was the date of the letter to the Treasury on that occasion?—The Admiralty letter was dated the 30th of March, and the reply of the Treasury was dated the 31st of March 1887.

Chairman.

917. (To Mr. Ryder.) In the Fourth Report of the Army Estimates Committee of last Session, the Committee report very emphatically as to the duty of the Treasury not to sanction payments in cases where no plea of urgency can be sustained. Amongst other things they say this: "Your Committee entertain a strong opinion that precedents for payments of public money of the kind set forth above" (which were of a somewhat different, or, indeed, of quite a different nature to this), "without the previous sanction of Parliament, should not be lightly made, and that the practice would be liable to abuse, and might often lead to unjustifiable expenditure of public money." They also say, "In the ordinary course of business Parliament would have no opportunity of considering this payment until 18 months after it had been made, that is to say, on the presentation of the Appropriation Accounts to Parliament, and the Report of the Public Accounts Committee thereon in the months of May, or June, or July 1889." I suppose that a report like that would rather strengthen the desire of the Treasury to be rigid in the application of the rule under the Resolution of 1879?—Yes, that certainly is so, and especially where the service is a new one and of a peculiar character like the Watkin Rangefinder. In the case of excesses on a purchase Vote and Votes for ordinary services provided by Parliament, I think we should be guided by the representation of the Department; we should wish to consult the public convenience.

918. Provided that representation is made in time and with sufficient explanations?—Quite so.

919. (To Mr. Forwood.) Is there anything more that you wish to say upon this particular point?—I have nothing to add with regard to 0.60.

NAVY APPROPRIATION ACCOUNT.

Excesses on Votes—continued.

Chairman—continued.

the dates, which, I take it, is the point we have been especially dealing with.

920. In the answer to Question 593, to which I alluded just now, the Treasury have informed this Committee that they thought that "the expenditure of that period of the financial year was not necessary, and it might have been postponed until voted by Parliament without detriment to the public service." I think you wish to say something upon that?—The inference from that answer is that the expenditure for which sanction was asked was intended to be made on the receipt of that sanction, because it says, "the expenditure at that period of the financial year was not necessary." Now, as a matter of fact, those excesses represent as usual expenditure made prior to that date.

921. How long before that date were they made?—They commenced in the month of November. In the cases which I have cited, where excesses have been sanctioned in the building of vessels (I am not now speaking of the year 1888, but of previous years), the excesses evidently had been gradually going on throughout the year in the employment of more labour than the Estimates justified. The custom has been to make the purchase at as early a date as it was possible to see what the state of the Votes was likely to be, and to avoid what has been the case from time to time of making large purchases at the end of the year, the object being to take time by the forelock, and make those purchases carefully and quietly in anticipation.

922. But the purchases in the present cases were purchases to replenish stock; did they commence as early as November of the previous year?—They commenced as early as December 1887.

923. Were you informed by the Accountant General in the usual way in writing that such expenditure would cause an excess?—I think that the recollection of the Accountant General has rather failed him in regard to the dates.

924. He did not make to the Committee any such statement as I have put to you, but I was asking whether you had any warning from him to that effect?—I think the Accountant General in one of his answers mentions the 6th of February, and says that he did not know of the excesses at that date.

925. Can you give us the number of the answer to which you refer?—He is asked, at Question 647, "When did it first come to your personal knowledge that there was a deficit of 161,000 £. over the particular Vote 10, Section 1?" and he says, "When the Admiralty letter of the 28th of March was being prepared, the statement given on page 135 was prepared from information given by the different officers, and it was determined to submit to the Treasury that these excesses should be incurred." Then he is asked, "Then was it not till the end of March that you, as Accountant General, became alive to the fact that there was an excess in Section 1 of Vote 10

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of 161,000*l.*," and he says, "It was not till March." I think that the memory of the Accountant General rather fails him as to the date, so far as I interpret his answer. In order to keep the closest watch possible on the progress of the expenditure, the Accountant General within a week or eight days after the first of each month submits a statement of the expenditure up to that date during the financial year and the liabilities that have been incurred, the particulars of which, as he has stated to the Committee, he obtains from the officers in charge of the expending Departments. The statement of October, which was submitted in November, by the Accountant General, showed an expected surplus of 250,000*l.* That was what the Accountant General reported, and it was on that anticipated surplus of 250,000*l.* that steps were taken to authorise purchase of some of the stores, to which allusion has been made, which go to form these excesses. Then monthly from that date, or more frequently as it gets nearer towards the end of the year, the Accountant General submitted statements showing the progress of the Votes, and carried naturally as a debit to the Votes the extra purchases which had been ordered, as I say, commencing in the month of November. So that the Accountant General had a full knowledge of what the surplus was in November, and of the gradual expenditure of the surplus or the creation of excesses from month to month, or week to week afterwards.

Mr. Jackson.

926. Would he know that these were fresh purchases?—Yes.

927. Apart altogether from the ordinary surplus?—Yes, it was to absorb the surplus.

Chairman.

928. What I would ascertain was whether at any date, and if so, at what date, you learnt from the Accountant General that the effect of the purchases would be to cause an excess?—The Accountant General's financial reports rendered from time to time show that he was alive to the fact that we were using the surpluses of one sub-head or Vote in purchasing stores that were under another sub-head.

929. That comes to the same thing, of course, that you would not do that if you had enough money on the sub-head or Vote for the purchase in question?—Quite so.

930. Can you mention the date of any of these communications which in your judgment shows that the Accountant General knew that an excess would be caused?—I have here the Financial Statement for February prepared by the Accountant General, and I see that there was a deficit on Vote 2 of 31,000*l.* on Victuals and Clothing for Seamen, and of 86,000*l.* on Naval Stores. That is Vote 10, Section 1. Then the Financial Statement for February, submitted in the early part of March, showed an excess ex-

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Excesses on Votes—continued.

Chairman—continued.

penditure on Naval Stores of 160,000*l.*, on Projectiles 20,000*l.*, and on Victuals and Clothing 24,000*l.*

Mr. Jackson.

931. I understand you to say that though that is the February Account it was submitted in March?—The first one I gave was the January Account, submitted in February, dated the 1st of February, and this deficit that I have just given occurs in the Account of February, submitted on the 19th of March.

Chairman.

932. Then what was the amount of the deficit on Vote 10, Section 1, in the February Account?—£. 160,000 in round numbers; that is dated the 19th of March. The one on the 10th of February the deficit is 86,000*l.*

933. The ultimate deficit on that Vote was 141,380*l.* odd, I think?—Yes, these are the figures of the Estimates. I presume you have the actual figures.

934. You were warned by this account rendered in the middle of February that there would be a large deficit in Vote 10, Section 1, as I understand?—Yes. The Accountant General, in his Minute dated in February, submitting the Provisional Account for January, concluded as follows: "It will be desirable at as early a date as possible to obtain Treasury sanction for the transfers of surpluses on some Votes to meet the deficits on others, and I would ask their Lordships' directions whether one communication on the whole subject shall be made to the Treasury, or separate communications as to each Vote to which a transfer will be required."

Mr. Arthur O'Connor.

935. What is the date of that Minute?—This is not dated, but it accompanies the January Statement of Liabilities, dated the 10th of February.

936. It would be six or seven weeks before the letter was actually sent to the Treasury?—Yes, and the instructions given on that submission of the Accountant General were to send one general letter.

937. Who gave that instruction?—I proposed it, and it was approved by the Board.

Chairman.

938. How comes it that no application to the Treasury was made till the 28th of March?—Because, as I have already stated, we were following the practice adopted in previous years of postponing it until we could bring the accounts to a more accurate focus; this communication was only a prophecy; it was not anything more than an estimate.

939. On the subject of the excesses, have you any further remarks that you desire to make?—No, excepting this, that the purchases made consisted of stores that were wanted, and it was desirable to have them in order to push on with the

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the work for the service. As a matter of fact, the Estimates of the following year were diminished, these purchases being taken into account in preparing those Estimates.

Mr. Arthur O'Connor.

940. I should like to ask whether you were aware of the existence of the Treasury Minute of the year 1870 with regard to the desirability of making as early communications as possible to the Treasury with reference to anticipated excesses?—I have no doubt that, since I have been at the Admiralty, I have had my attention called to it; but I have looked rather at the practical way in which matters have been worked than at the theoretical.

941. In giving us the dates of applications in previous years to the Treasury, why do you go back to the year 1882 especially?—For no particular reason whatever.

942. Did not that year alone, according to the dates that you gave us, show that you could not possibly expect the Treasury to answer within two days such a letter as the letter of the 28th of March last year; was not the letter of the 10th of March 1882 answered nine days afterwards?—Yes, that was so in that one case; but you will see that other letters with regard to larger amounts were answered in 24 hours.

943. I will take the next year that you gave us, 1884, when a letter was written on the 22nd of March, and was not answered till that day week, the 29th; in that case the Treasury took seven days to answer; then taking the next year, the Admiralty wrote on the 30th of March, when it was perfectly impossible to get the answer of the Treasury within the financial year, and the Admiralty did not get the sanction they wanted until nine days after the end of the financial year; would not these records, which you appear to have been looking up, have shown the practical impossibility of getting the Treasury sanction within the financial year, when your letter was written as late as the 28th of March?—They would rather show that such applications were treated as a matter of form.

944. In 1886 again, four or five days elapsed before the answer of the Treasury. Then in 1887 (that is the recent experience of the year immediately before this) you wrote on the 28th, and got a reply from the Treasury on the 31st of March, objecting to so short a notice, and consenting to part of the submission of the Admiralty, but they deferred the decision with regard to the other portion; was not that so?—I have not got a copy of that letter at the moment.

945. You told, as I understood, that they approved of the application of the surpluses, but they deferred the consideration of the mode of meeting the deficit?—I do not know that they raised any objection.

946. But did they not defer the consideration of the mode of dealing with it?—They deferred it, but they did not raise any objection.

947. Why did they defer it?—As they say,
0.60.

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Excesses on Votes—*continued.*

Mr. Arthur O'Connor—continued.

according to their letter, they deferred the consideration of the mode of meeting the net deficit till the exact figures could be ascertained; that means, until the accounts were more accurately adjusted towards the date of the Appropriation Accounts, and not as an objection to the proposal.

948. Did not that show that so short a notice as two days before the end of the financial year was too short for the purposes of the Treasury?—I should not read it so.

949. Are these submissions which are made by the Accountant General made to you?—In the first place.

950. Then on the 10th February, at the latest, you had official intimation that this Vote 10, Section 1, was already exceeded?—Yes.

951. Then, as I understand, the Accountant General submitted to your consideration whether there should not be an immediate communication to the Treasury, or whether, in the opinion of the authorities above him, the whole matter should be dealt with in a single communication?—He asked whether there should be in one general letter or one communication on the whole subject, or whether separate communications should be made as to each Vote.

952. The rule being that there should be only one communication?—That has been the practice; I do not know what the rule is.

953. On this particular occasion the Accountant General, seeing in February that one section of the Vote had been exceeded, proposed, as I understand, that if it commended itself to your judgment, there should be separate communications at each date?—He did not propose that there should be separate communications; he simply asked whether there should be one or more, without indicating any opinion.

954. He broached the matter?—Quite so.

955. And you decided that there should not be separate communications?—Certainly.

Mr. Wodehouse.

956. (To Mr. Ryder.) I think that you said that the Treasury were warned informally that there would be a demand made by the Admiralty for a sanction of excesses?—I understood Mr. Forwood to say that, and no doubt he is perfectly right, but I do not think the warning reached me personally; I dare say Mr. Forwood spoke to the Secretary to the Treasury, but I do not recollect learning of it myself personally.

957. You are not aware that the Treasury at that time made any demand upon the Admiralty for an early official communication of the excess?—I am not aware that we did.

958. Then have the Treasury at any time given what I may call general instructions to the Department about not postponing the application till too late?—I should have said that Treasury directions to that purport might be found at various dates ever since the Treasury Minute of the 8th of September 1846, which was issued after
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Mr. Wodehouse—*continued.*

after the first Act that required the Treasury sanction for excesses on Naval Votes.

959. Do you look upon it that the Accountant General of the Admiralty was doing his duty when he called attention to the subject at an early date, so that the application might be made sooner?—He certainly did what was right in suggesting that the applications should be made separately. In quite recent years separate applications have been made, and indeed that is the case in some of the years that have been referred to.

960. Then if Mr. Forwood is under the impression that the usual practice of the Admiralty previously was to make the applications in one general letter, you are prepared to say that there are occasions on which applications have been made separately, as was suggested by Sir Gerald FitzGerald?—Certainly; as for instance, in 1884, when the Admiralty wrote three different letters, referring to three different excesses. All of those applications, however, were accompanied by more or less explanation, and the Treasury felt warranted in giving sanction. Again in 1883, I think the Admiralty wrote three different letters. Those letters were partly in reply to Treasury requests for further information, but they gave time even then to consider the question and ask for further explanation.

961. (To Mr. Forwood.) I suppose the Admiralty were aware of the fact mentioned by Mr. Ryder of the intervention of Good Friday in those few days?—I cannot charge my mind with the dates; I do not remember the circumstances to a day. There is, no doubt, good reason in the answer of Mr. Ryder that Easter did interfere and preclude the Treasury paying that attention which they might otherwise have wished to pay.

962. Looking at what happened in former years, did you think it possible that an answer might be returned in 24 hours?—Looking at what had happened in former years, we looked upon it that our application was an intimation of what was being done to be given as a matter of form in order to comply with the law rather than that the Treasury were expected to interfere with the discretion of the Admiralty in dealing with a matter on which the Admiralty alone could have the information as to whether it was desirable to.

Mr. Barran.

963. May I take it that the difficulty has arisen very largely in consequence of the Admiralty feeling that they are capable of managing their own business without the interference or the intervention of the Treasury?—I think I may say that we feel capable of managing our own business, and from our practice in the past it would seem that the Treasury have also thought that we are capable of managing it, and have not interfered with our discretion.

964. Is it your view that this rule, which was

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Mr. Barran—*continued.*

laid down in 1876, was laid down merely as a matter of form, and not as a matter of necessity; that is to say, it was not necessary that the Naval Department should observe the rule laid down, because it was merely a matter of form?—I do not know what the reason was in the minds of the Committee or of the authorities at the Treasury of that day which caused the rule of 1879 to be laid down. I do not know the circumstances of the case.

965. Do I understand that you consider that it is a mere matter of form, and not a matter of necessity to observe that rule?—I consider it is a matter of necessity to send the information in to the Treasury before the 30th of March.

966. For what purpose?—For the purpose of informing them as to what was our financial position, and what we had done with our Votes, and to obtain their formal concurrence.

967. But not for their sanction?—For their formal sanction.

968. That is to say, you consider that they have no right to interfere with your Department so long as you are carrying on your Department properly?—Undoubtedly they have the right. I do not question their right to interfere with our Department, but they have not exercised that right.

969. You do admit that they have the right?—Distinctly.

970. Are we to understand that in future you will recognise the right of the Treasury to sanction, and not merely to acquiesce in the line of action of your Department?—We have always recognised the full right of Treasury intervention or approval in the matter; but after the Treasury letter of the 11th of April, taking, as I said at first, an entirely new departure, we are bound to take cognizance of that, and to make our communications at an earlier date. All I wish to say upon the matter is this, that if the Treasury had sent such a communication as that two or three weeks before the 1st of April instead of nine days after the 1st of April, there would have been no occasion to write that letter.

Mr. Jackson.

971. But surely it would not have been possible then for the Treasury to send that letter, because they had not the information before them?—But they had the information as regards our practice in previous years.

Mr. Barran.

972. But the Treasury were not then in possession of the facts which were revealed to them at the end of the year which would have justified their writing a letter to you, were they?—I may put it in this way: we were following the previous practice, as I have endeavoured to show; and if the Treasury had wished to change the practice that had existed in previous years, I should have expected a communication to that effect in March rather than a communication in April.

973. What

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Mr. Barran—continued.

973. What was the relative amount of the deficit during the year to which we are referring as compared with that in the three previous years?—I think I can give you the exact figures in a moment.

974. May I ask generally, was it a larger amount?—The application dealt with much larger figures in the year in question than in previous years; but in the years which I alluded to the figures have been very substantial, exceeding 100,000 *l.* at times.

975. On the last occasion what did it amount to?—£. 250,000, I think.

976. You felt that you were justified in spending that large sum in excess without the Treasury sanction?—Yes, in the way that I have indicated.

Sir Walter Barttelot.

977. (To Mr. Ryder.) What is the date on which you think these applications should be made to the Treasury, so as to give you time for considering them?—The rule is that even though there is no accurate information upon the subject, yet the Treasury should be warned of it by notice being sent to them as soon as there is an excess foreseen upon a Vote.

Chairman.

978. If possible, I presume, even before the expenditure of the money?—Before the expenditure is incurred, certainly. As soon as they foresee that according to the rate at which they are expending the money an excess will be caused, the Department ought to give the Treasury due warning, so that they may know what is coming.

Sir Walter Barttelot.

979. That is to say, if upon any great Vote for shipbuilding, for instance, they are anxious to exceed the estimate they have asked for, and which is sanctioned by Parliament for that particular Vote, the moment they have determined to increase the expenditure upon certain ships, that moment the Treasury should be informed?—Yes, if an excess upon the Vote is likely to be caused.

980. I understood from a remark of Mr. Forwood's that it is the case sometimes that the Admiralty know that they have asked for too little upon a particular Vote, and they also know that they will have a surplus upon some other Vote; knowing that, ought they to give you information with regard to those two Votes?—They ought, certainly, as to the excesses, and as to the savings, and as to the reasons for both. The Treasury would very probably say, if they were fairly satisfied with the explanation given, that they would postpone their formal sanction to a later period of the year when the figures could be arrived at with more certainty; that would depend upon circumstances.

981. That is to say, until the figures would show what the size of the excess really was?—0.60.

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Sir Walter Barttelot—continued.

Yes, it would also depend upon whether Parliament was sitting or not at the time.

982. There is one other question I should like to ask, because we should like to have this matter cleared up. You think, do you not, that you have a grave responsibility in giving your sanction for the expenditure of the excesses?—A very grave responsibility certainly rests upon the Treasury; nevertheless the Treasury thinks it discharges that responsibility best by being as far as possible guided by the spending Departments in all technical matters relating to the service upon which the Treasury cannot form an independent judgment.

983. That is to say, as to the necessity of each individual case?—Yes; what the Treasury does ask is that the necessity should be explained sufficiently to make an ordinary man understand it.

984. That is to say, supposing the Admiralty wished to complete by the end of the financial year certain ships which they had intended not to complete till the following year, and there were certain excesses upon some other Votes, if you thought that in the interests of the general public it was right that those ships should be finished, you would at once grant what they required?—I fully believe we should in the absence of some very special reason to the contrary.

985. So far as we understand, you adhere to the statement that you have a grave responsibility in this matter, and that it is not a matter of form?—Most undoubtedly. It ought not to be a matter of form, certainly.

Chairman.

986. If it were a matter of form, would there be any good in putting this section every year in the Appropriation Act?—It is impossible to read that section, and to suppose that Parliament meant our sanction to be a matter of form.

Mr. Arthur O'Connor.

987. I wish to ask you with regard to one point, which you mentioned in one of your answers a short time ago. The letter of the Admiralty of the 28th of March 1888 reached the Treasury on the 29th, I presume?—Yes.

988. You told us it would not be till the following day that the letter would reach the particular Department concerned with the subject matter of the letter?—The letter was received on the 29th, which was a Thursday, I think, and the following day was Good Friday. In the ordinary course, after being registered in the Registry Department, it goes into what we call the Paper Room for "former papers," and it is not infrequent that a whole day may elapse before the "former papers," if there are many of them referred to, are found.

989. You gave us distinctly to understand that a letter received at the Treasury a day after it was written at the Admiralty would not find its way to the Department which was concerned with

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with it until the day after the receipt by the Treasury?—Very likely it would not if there are “former papers” referred to, and if the officers who registered the letter and who look for “former papers” do not know that it is a matter of very immediate urgency. But there are many letters that come into the Treasury and are answered on the very same day that they are received.

990. But, I suppose, you would admit that a letter dealing with a very large excess of several hundreds of thousands of pounds from a single Department in the last days of the financial year was a pressing matter?—It was a pressing matter, certainly.

991. Have you no system at the Treasury by which pressing matters can be dealt with sufficiently expeditiously to admit of their being taken in hand within a few hours of the receipt of the letter?—They very often are so dealt with. I have known many “immediate” letters, the answers to which were dispatched on the very same day that the letter reached the Treasury.

992. That would be the case, I suppose in almost every office in the world; at least it would be an exceptional office where it was not so; but seeing that this was a letter with regard to excesses of almost a quarter of a million of money reaching the Treasury at the end of the financial year, could not you by some means or other (whether by hand or otherwise) have got that letter into the hands of the gentleman who first has to deal with it on the day of its receipt?—Yes, if it was properly marked as “immediate.”

993. Was this particular letter taken in hand on the day it was received?—The letter from the Admiralty, dated the 28th of March, was not marked “immediate” at all. Its important character, probably, was not understood in the Registry Room; it evidently did not occur to them to mark it “immediate.” We are dependent on the Department that writes; we expect that Department to put “immediate” on a paper if it is important. The Registry Department would possibly not understand the nature of the letter accurately.

994. Has the Treasury Department yet been examined into by the Commission on Civil Service Establishments?—No.

Mr. Jackson.

995. When you said that it would not reach the Department that has first to deal with it on the same day that it is received at the Treasury, would it not be more correct to say that it would

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not necessarily reach the Department on the same day?—In the ordinary course it will, very probably, not reach the Department for a day after it reaches the Treasury, if there are numerous “former” papers to be got out.

996. I want you to make that point clear, because in a certain sense the dealing with the letter by the Department whose duty it is to deal with it and to find the “former papers,” may surely be taken as the first dealing with the letter by the Department which has to deal with it?—That is true; but that is only dealing with it in a mechanical way, you may say.

997. Supposing that the letter had come direct to you as the head of the Department, you would have had to send the letter to the Paper Department to have the previous papers found and furnished to you, would you not?—Yes. I should have had to send it to the Registry Room first, and then to the Paper Room for “former papers.”

998. And, therefore, when this letter took the regular course of going to the Paper Room first and having the file of “former papers” completed before it was forwarded to you, that might be held, might it not, to be the first dealing with it by the Department?—Yes, to that extent it might.

Mr. Arthur O'Connor.

999. As I understand, in the first instance you depend upon your correspondent to intimate to you whether the particular business that he writes about is immediate or not?—Yes.

Mr. Jackson.

1000. That is rather the custom of the Civil Service, is it not?—That is the ordinary custom of the Civil Service, so far as I know. The word “immediate” is written on the top of the paper and also on the envelope when the matter is specially urgent.

Chairman.

1001. (To Mr. Forwood.) You would admit, I presume, that it was an omission on the part of the Admiralty not to write on this particular letter “immediate” or “pressing”?—I do not know what the practice of the Admiralty is in such a matter. I should have thought that the common sense of the man who had to deal with it would have led him to see that it was a matter of pressing importance when he received the letter, and he would have urged the matter on.

1002. That would not apply to the Registry Clerk, I presume?—Perhaps not; I do not know what the practice is.

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Excesses on Votes—continued.

Mr. W. G. P. GILBERT, called in; and Examined.

Chairman.

1002*. I BELIEVE you are Director of Stores?—Yes.

1003. With regard to the excess under Vote 10, Section 1, it is explained that the deficits were due to replenishment of stocks, but it appears that in consequence of the stocks being in excess of the requirements at the time the Estimates for 1887-88 were framed, it was the intention of the Admiralty to reduce them in the course of the year to the extent of 208,000 *l.*, and it also appears that in the course of 1888-89 it was intended to still further reduce the stocks to the extent of 350,000 *l.*; are you able to explain how the spending of this money was necessary for the replenishment of stocks?—I may say that I have only recently assumed the duties of Director of Stores, but on my attention being called to this point, I made inquiries. I can tell the Committee the result of my inquiries upon the point. I believe the purchase was for stock, although it is not absolutely correct to say that it was to replenish stock, because the stock had not been depleted.

1004. Then you admit the criticisms of the Comptroller and Auditor General?—I admit that it was not to replenish stock.

1005. Then what was the purpose of the ex-

Chairman—continued.

penditure; was it simply to buy additional stock?—To buy stock that was required; it was to pay for stores that had been delivered.

1006. How do you account for the Admiralty proposing to buy these additional stocks, when it had been announced as the intention of the Admiralty that the stock was to be reduced to the extent of 208,000 *l.* under the Estimates for 1887-88, and again to the extent of 350,000 *l.* under the Estimates for 1888-89?—I understand that money was available; the stores in question had been delivered, and it was convenient to pay for them then because the money was available.

1007. But when you say the money was available, was not the result of the expenditure to lead to the excesses which the Committee have just been considering?—Yes; but still the money was available under the Estimates.

1008. You mean that there was money available under other Votes?—Yes, under other Votes.

1009. (To Sir C. L. Ryan.) That, I think, entirely bears out your criticism in your report upon these excesses?—I venture to think that it does.

1010. So far, at all events, as Vote 10, Section 1, is concerned?—Yes.

Mr. H. F. R. YORKE, called in; and Examined.

Chairman.

1011. You are, I believe, Director of Victualling?—Yes.

1012. I understand that your attention has just been called to a matter referred to at Question 618 in the Minutes of 28th March; are you able to explain how it happens that an excess was incurred on Vote 2 of as much as 30,142 *l.* 11 *s.* 7 *d.* for the purchase of clothing, which is explained to have been purchased in order "to replenish stocks," when it appears that the stock had not been depleted, but that if the expenditure had been kept within the limits of the grant the stock would have shown an increase of about the value of 92,000 *l.*?—Without having looked into the papers, I think I can give this explanation: "To replenish stock" is not, perhaps, the right term. The meaning is that stocks were bought which would have had to be bought the following year, in respect of which the Estimates would have to be reduced accordingly. It was not to replenish stocks that were too low.

1013. (To Sir C. L. Ryan.) In that case again your criticism holds good?—I think so.

1014. Have you any remark which you desire to make upon the evidence that Mr. Forwood has given?—The only remark that I should wish

Chairman—continued.

to make is not with regard to the question of time which has mainly occupied the Committee, but with regard to the requirements of the Appropriation Act. I think that the requirements of the Appropriation Act, as they have been quoted in our letter to the Admiralty of the 18th October 1888, and embodied again in the Report, are extremely clear and distinct. I do not think that the Treasury would be justified in giving any sanction to an excess as a matter of form, and I cannot conceive how the Admiralty, who have got the Act before them, and who must be supposed to know the intention of Parliament, as laid down in the Appropriation Act every year, can have justifiably assumed that it was a matter of form. This subject has been considered by a great many Committees; it was very carefully gone into by a very strong Committee on Public Accounts in 1862, when the new Regulations which are now observed were laid down and the form of the Appropriation Act altered. It is re-enacted every year, and therefore I think that whether or not, as a matter of policy, it may be desirable to continue this restraint upon the Admiralty, the restraint undoubtedly exists, and it ought not to be looked upon as a matter of form.

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1015. (To

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NAVY APPROPRIATION ACCOUNT.

On VOTE 10, SECTIONS 1 and 2,
and VOTE 11.

ADVANCES TO CONTRACTORS NOT CLAIMABLE UNDER THE SPECIFIC CONDITIONS OF THEIR CONTRACTS.

Chairman.

1015. (To Mr. Forwood.) The Accountant General at the last meeting of the Committee said that he was not prepared to answer questions upon several advances to contractors upon which the Comptroller and Auditor General has reported. With respect to a number of these advances there is no evidence that they were payments for work included in the authorised programme for the year. I suppose the Admiralty would admit that the *onus probandi* rests upon them of showing that the advance is claimable, having really been earned, and also that it is a payment for work included in the authorised programme for the year?—Until this year there has been no authorised programme, further than the limitation imposed by the Estimates of expenditure of money under different sub-heads of Votes. It is quite clear that the onus rests upon the Admiralty to satisfy the Comptroller and Auditor General or the Committee that they were justified in paying the advances to the contractors.

1016. You mean, I presume, that they were justified because the moneys' worth had been received?—Because the moneys' worth of work had been done.

1017. But with respect to the other point of the authorised programme of the year, your attention has no doubt been called to the Treasury Minute of the 23rd of January 1888, in which the Treasury say that a special case is established, when the work done for which the payment is proposed to be made at an earlier date than is named in the contract, is work forming part of the authorised programme of the year for which Parliament has provided in the grant, and when otherwise payments would be thrown from one year in which provision has been made to another year in which provision for the work is not and could not have been made?—In the first place we should understand what is the meaning of the term "programme." The Admiralty use the term "programme" when speaking of the list of ships upon which expenditure is going to be incurred during the year.

Mr. Jackson.

1018. (To Mr. Hamilton.) Surely that is a modern use of the term, is it not; that is not the sense in which you use it at the Treasury, as I understand?—The sense in which it is used at the Treasury would be the service for which provision is made in the year. "Programme" is perhaps not a very happy word to use. (Mr. Forwood.) We look upon the "programme" as the list of ships of the year appended to the Estimates and now proposed to be made part of the Estimates. If, however, it refers to the expenditure in the various Votes and sub-heads, then, of course, we have to account to the Comptroller and Auditor General or to the Committee in regard thereto.

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Vote 10, Sections 1 and 2, and Vote 11, &c.—
continued.

Chairman.

1019. You would admit, I presume, that the onus rests upon the Admiralty of showing that that for which the payment was made was part of what was authorised by your Estimates?—Yes; or we must obtain the Treasury concurrence to it if it is not actually on the service for the year.

1020. Before I deal with the various advances which have been made in the year with which we have now to do, I have to refer to paragraph 8 of the Comptroller and Auditor General's Report, and also to the letter to which it relates on page 183. It was stated in explanation of the expenditure on the "Nile" and "Trafalgar" that "owing to the favourable terms on which timber had been purchased, and to a retardation of deliveries of coals, there were sufficient savings on Sub-Heads A. and C. of the Vote to cover the excess on Sub-Head B."; but it turns out, according to the letter from the Treasury, that that surplus had at the date of the Admiralty letter been to a very large extent absorbed by excesses on other sub-heads, and by a deficiency of appropriation in aid, and the consequence was a net deficit of 11,000*l.* and odd. The Treasury complain that they were induced to sanction the purchase of metals out of savings which were not really available for the purpose; thus being made unconscious parties to the Vote being exceeded, and also that they were made parties to irregular payments to contractors to which they were not entitled under their contract; have the Admiralty any explanation to offer upon that point?—I have not the material at hand to question the figures that are given in that letter; but as regards the payments to contractors there were payments made on account of armour plates for the two vessels, the "Nile" and "Trafalgar," for work absolutely and actually done of a greater value than that for which we made the payments.

1021. But that does not meet the two complaints which the Treasury make in this letter, first that they were made parties to an excess, and secondly that they were made parties to an irregular payment to contractors?—I traverse the statement as to the irregular payment to contractors.

1022. Were the contractors entitled to those payments under their contract?—We have power under all the contracts to make payments to contractors as the work proceeds, having regard to the sufficiency of the work, and unless we exercised those powers and paid the contractors on account of work as it was done, we should naturally require the contractors to lay out a very large amount of capital, and if we wanted work done by them again they would take care to charge us a higher price to compensate them for the amount of money which they would have to lay out in the manufacture of the goods or stores that they were making for us.

1023. (To Mr. Ryder.) I am afraid that answer scarcely meets the objections raised by the Treasury

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Vote 10, Sections 1 and 2, and Vote 11, &c.—
*continued.**Chairman—continued.*

Treasury in their letter, does it?—The chief objection that we had, I think, was that we were asked to sanction the use of certain savings on one sub-head to meet the excess upon another sub-head, which savings had already been used for other purposes, and which were therefore no longer available. (Mr. *Forwood*.) That is a matter of account and of figures as to which I cannot answer offhand. (Mr. *Ryder*.) As regards the description of the payment to contractors as irregular, I may say that was based upon the evidence given to this Committee last year. It then seemed to be acknowledged to be to some extent, at any rate, irregular, and the circumstances of the payment ought to have been explained to us when our sanction was asked.

ON VOTE 10, SECTION 1.

ADVANCES TO A CONTRACTOR FOR TIMBER.

Chairman.

1024. (To Mr. *Forwood*.) It appears that two advances were made to Messrs. Finlay and Son, contractors for timber, one of them being on the last day of the financial year, and on an explanation being requested, the only answer given was that money was found available in 1887-88, and therefore arrangements were made for the purchase of this timber. The Comptroller and Auditor General criticises that explanation by pointing out that that money was not available, seeing that the payment of the advances has occasioned an excess expenditure under Sub-head A. of Vote 10, Section 1, of more than 13,000 l.?—It would appear that the statement that there was money available under that sub-head was incorrect, although there was surplus money available on the Votes generally. The timber was delivered to the yards largely, I think, for the "Nile," which was building at Pembroke, in order to push that vessel on.

1025. (To Sir C. L. *Ryan*.) Do you desire to make any further remarks on that point?—I would only add that apparently it is admitted that the money was not available under the sub-head; and, moreover, that money was not available under the section either, because the whole section was exceeded.

ADVANCES TO CONTRACTORS FOR
ARMOUR PLATES.*Chairman.*

1026. (To Mr. *Forwood*.) I observe that an advance of 1,200 l. was made on the 28th of March 1888 to the Thames Iron Company, and two advances, one of 34,700 l., and the other of 25,830 l., on the 29th of March to Messrs. Cammell and Company and Messrs. Brown Cammell respectively, none of which were claimable by the contractors under the specific conditions of their contracts. The explanation given was again that there was money available to meet them; but the Comptroller and Auditor General

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NAVY APPROPRIATION ACCOUNT.

Vote 10, Section 1—*continued.**Chairman—continued.*

points out that there is no evidence in the Estimates that the particular armour plates in respect of which those advances were made were within the programme of the year. The Admiralty, in reply to the inquiry, stated that they were unaware of any document which could be called an authorised programme which would show the information desired. How is the Comptroller and Auditor General to satisfy Parliament that an expenditure comes within what has been granted out of the Estimates unless some information is afforded him by the Admiralty to show that the articles which were purchased were really purchased under the Estimates of the year?—There comes in the misapprehension which, I think, has evidently existed (judging from what has already transpired to-day) between Sir Charles Ryan and the Admiralty as to the term "programme." This term "programme" has been regarded by the Admiralty as alluding to the list of ships on which the work is to be done. Apparently the inquiry of the Comptroller and Auditor General was intended to be, Were those advances made for stores intended to be purchased when the Estimates were framed for that current year? There would be no difficulty in informing the Comptroller and Auditor General whether or not those were stores contemplated to be purchased at the beginning of the financial year; but a misapprehension has arisen by the use of this word "programme."

1027. Would there be any difficulty in giving the departmental details of the basis of the expenditure under the Estimates to the Comptroller and Auditor General to enable him to judge whether the payments were outside the Estimates of the year, or within what was contemplated by the Admiralty when the Estimates were framed?—It is very difficult, of course, to particularise the smaller articles. There are a thousand and one smaller articles which may or may not be wanted in the course of the year, and for which money generally would be taken in the Estimates; but for such large articles as armour plates it would be quite possible to tell the Comptroller and Auditor General whether or not those had been contemplated as purchases to be paid for during the year.

1028. The request of the Comptroller and Auditor General, as I understand, is only with respect to armour plates under paragraph 11 of his Report, and new machinery under paragraph 14; there would be no difficulty, would there, with respect to such items as those?—No, not with respect to large items.

1029. If you will refer to page 169 at the fourth line from the bottom you will see that the request that was made to the Admiralty by the Comptroller and Auditor General was for inspection of the groundwork of the Estimates; would there have been any difficulty in furnishing him with that in order that he might judge whether the armour plates belonged to the programme of the year?—No; it would be quite easy to furnish

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Vote 10, Section 1—continued.

Chairman—continued.

nish the Comptroller and Auditor General with information that we had taken so much money for payments for armour plates and such large articles as that in the course of the year; but it would be impossible to ear-mark the actual armour plates themselves that would be in course of manufacture, because one manufacturer might be ahead, and another manufacturer might be behind, and we should pay our money for the armour plates on which sufficient work had been done.

Mr. Jackson.

1030. But it would have been possible, would it not, to have given the information which was then asked for?—I take it that it would. As a matter of fact the advances were made in this case upon armour plates that were not contemplated at the beginning of the year.

Chairman.

1031. Do you not recognise that when advances are made the Comptroller and Auditor General is entitled to any information from the Admiralty which can throw light upon the question whether those advances are in accordance with the rules laid down year after year by the Public Accounts Committee or not?—Yes; I am quite in favour of giving the fullest information possible to the Comptroller and Auditor General.

1032. As a matter of fact, with regard to these particular armour plates, if there was no money properly available to meet these advances under the sub-head, does not it seem as if the expenditure had not been provided for in the Estimates?—These advances on armour plates were beyond the amount provided in the Estimates.

1033. It was also an expenditure, was it not, which would get rid of the surplus under another sub-head?—It was expenditure of a surplus in easement of the Estimates of the succeeding year.

Mr. Barran.

1034. In making these contracts for armour plates, do you stipulate for the delivery of a certain weight or measurement periodically?—Yes; the contractors are under engagement to deliver them at a certain rate.

1035. Up to the time of the payment of this money, had the contractor kept the terms of his engagement with the Admiralty?—I think so; I think he was ahead of them; but I am speaking only from my recollection.

1036. You think he was ahead of his contract for delivery?—Yes.

1037. When the consent was given to the payment of this money, did you get a certificate that the armour plates were either in the possession of the manufacturer, or in the possession of the Admiralty?—Certainly. These plates were on the contractors' premises in course of manufacture; we had all the work inspected by our officer, and a certificate from him that an amount

NAVY APPROPRIATION ACCOUNT.

Vote 10, Section 1—continued.

Mr. Barran—continued.

of work in excess of what we were paying had been done to the plates.

1038. But when you say that they were in course of manufacture, when a plate has passed through the mill, has the manufacturer very much more to do to it?—That I cannot tell you.

1039. You say those plates were in course of manufacture; they were not absolutely manufactured, I understand?—They had been rolled, and were under process of being planed. We should pay for them just as we pay for a ship according to the stage to which she has proceeded in her construction.

1040. But, I suppose, you know as well as most people that the building of a ship is very different from the rolling of a steel plate?—You can naturally ear-mark the progress of a ship on the stocks better than you can the progress of a steel plate.

1041. Is that so?—I should suppose so.

1042. From what I have seen of the rolling of steel plates, I should think that it would be much easier to ear-mark a rolled plate than to ear-mark a ship on the stocks, and that there would be no difficulty in deciding as to whether a plate was in a fit state to be delivered at the yard; have you seen the rolling of steel plates carried out?—Not heavy ones.

Mr. Jackson.

1043. May I ask one question as a matter of information about the certificates. Supposing your officer gives a certificate for an armour plate say in process of manufacture, and supposing the firm with whom your contract was to become bankrupt, would that plate belong to you or to the creditors?—That is a moot point. As regards a ship I have tried it individually, and I have taken possession of the ship and finished her myself. I should think that an article in a manufacturer's shop distinctly made for you for which you have paid advances is your property, though you may say that it is at his disposition.

1044. Does the contractor come under any bond or obligation or security?—Nothing more than his contract.

1045. He does not give sureties for the due performance of his contract?—No.

Mr. Barran.

1046. In the case of armour plates when sanction is given for a payment, do I understand that those plates are all ear-marked?—They are all identifiable, certainly.

1047. Have they the broad arrow upon them?—The Accountant General tells me they have. I am not able to speak of my own knowledge as to that.

1048. I ask the question because you stated that these plates were in course of manufacture, and the question of their being in the course of manufacture is a question of very great importance,

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[Continued.]

NAVY APPROPRIATION ACCOUNT.

Vote 16, Section 1—continued.

Mr. Barran—continued.

ance, because they cannot be ear-marked while they are in the course of manufacture?—Quite so, unless in an advanced state.

1049. (To Mr. Gilbert.) Can you tell us how the plates are marked?—They were marked sufficiently to identify them.

1050. Do you know of your own personal knowledge that that was so?—No; I did not view them myself.

1051. Who did view them?—The proper officer of the Admiralty viewed those that were not in the dockyard, and he certified that so far as the work done was concerned there was no objection to the payment of the advance, and that the plates had been marked as being the property of the Crown.

Chairman.

1052. Is that always done even when advances are made on the last days of the financial year?—As a rule (and I do not remember an exception) most of the payments that are made in the last days of the financial year are for stores in the actual possession of the Admiralty.

1053. But in the case of these particular plates you say that some of them would not be in actual possession?—I say that that is the rule. In the case of the armour plates I cannot say positively whether the whole of these armour plates were in the dockyard. (Mr. Forwood.) Before giving assent to all these payments at the end of the financial year, or at any time, I am always very particular in having an assurance that we have the goods actually in existence on the manufacturer's premises, or wherever the articles may be, in such a state that we could go in and take possession, and say, "These are our goods."

Mr. Barran.

1054. Is there any difficulty in the manufacturers delivering these plates when they are completed at their works?—I should say not.

1055. (To Mr. Gilbert.) Then they do not have to hold them over for the convenience of the dockyard?—No; they deliver them as soon as they like at the dockyard.

1056. What do you mean as soon as they like?—They are supposed to deliver them immediately.

1057. (To Mr. Forwood.) Is it fair to suppose that this firm, which apparently is supposed to deliver 35,000*l.* worth of work, would have 35,000*l.* worth of work in hand at the time?—These plates were all on the contractors' premises in a very forward stage of completion, and they were all marked with the broad arrow before payment of advance was made.

1058. Do you mean they would not have been examined?—They could not have been examined in detail.

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NAVY APPROPRIATION ACCOUNT.

On VOTE 10, SECTION 2.

ADVANCES TO CONTRACTORS FOR MACHINERY FOR PROPELLING.

Chairman.

1059. (To Mr. Forwood.) Advances amounting to 20,000*l.* were made to contractors for the machinery of the "Victoria" and "Sans Pareil." It appears that no provision had been made for this expenditure in the Estimates for 1887–88, but provision for it had been made in the Estimates of the succeeding year; I think the payment was actually made on the 31st of March 1888; upon that the Treasury, in their letter of the 11th of April, ask why the payment might not have been made on the 1st of April, so as to avoid the transfer of the expenditure which was borne on the Estimates of the coming year to the accounts of the then current year; have you any explanation to offer upon that?—The "Victoria" was built under contract with Messrs. Armstrong, Michell, and Company, and the "Sans Pareil" was built under contract with the Thames Iron Works. There was one contract for each ship, with a sub-contract recognised by the Admiralty between the shipbuilders (in the one case Messrs. Armstrong) and the engineer. One price was fixed for the hulls, and one price was fixed for the machinery. There were certain instalments payable on the hulls, and there were certain separate instalments payable on the machinery, according to the progress that they made, with power in the hands of the Admiralty to pay those instalments or such portions of them as they thought proper. Both those ships were built more quickly than was anticipated under the contract, especially the "Victoria." There is this peculiarity about this class of vessel, that the engines are built into them, and practically finished and completed before the hull is closed up. The engines of the "Victoria" were absolutely and completely finished, and in the vessel in October 1887, and they had the preliminary trial of her on the Tyne, I think, in November 1887. In the Estimates which we are now discussing a certain amount had been taken for instalments payable upon the hull, and a certain amount had been taken for instalments payable upon machinery, the hull and the machinery being under two separate sub-heads. The hull was not technically advanced in March so far as we expected by some 10,000*l.* or 12,000*l.* Although a great deal more work had been done to the hull in a money point of view than had been anticipated, technically the instalments had not been earned, because the contract stipulated that certain specified work should be done to the hull before the instalments were paid, so that although there might have been other work to equal value done to the hull, unless certain specified work was done technically, the instalments could not be paid. The engines, as I explained, had been finished in October. The money had not been taken in the Estimates under the sub-heads for the engines, but money had been taken under the sub-heads for the hulls; and a payment was made on account of the engines,

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Vote 10, Section 2—continued.

Chairman—continued.

engines, that money not having been taken, but it being practically a transfer of the sum taken in the Estimates for the hull and paid on account of engines. I may say that 26,000 l. was the final instalment due for the engines when they were completed, and had had their final trip, and this payment of 10,000 l. still left 16,000 l. due for the engines to be paid on the final trial of each ship. So that, although on the engines money had not been taken, the money to that amount had been taken upon the hull in the Estimate for that year. Therefore, it was not really laying the charge of one year upon another year.

1060. You say, as I understand, that whereas you paid 20,000 l. more than had been contemplated for this machinery as regards these two ships within that year, you paid so much less on the hulls?—Exactly.

1061. That, I presume, was the reason you declined to reduce the Estimates for the following year by the amount of 20,000 l.?—Yes.

1062. (To Mr. *Ryder*.) That answer was not given to you in the letter of the Admiralty of the 14th of June, I think?—No, it was not; if that information had been given to us at the time we should have taken a different view of the case. As presented to us it appeared not to be a special case, such as has been contemplated by the Treasury Minute of January 1888; and we therefore used rather strong terms to condemn what we took to be the offence.

1063. If this explanation had been given, you would perhaps not have used the expression in your letter that a "grave irregularity" had occurred?—We should not have thought it a grave irregularity if the matter had been submitted to us and explained beforehand. Of course it is a grave irregularity to do it without Treasury sanction.

1064. It was irregular to do it without giving the explanation that has now been given?—Yes.

1065. (To Sir C. L. *Ryan*.) Have you any remark to make upon the explanation that has been given?—I think in that paragraph of the Report we were very much led by the Treasury letter, and had not the circumstances before us which have now been explained.

Mr. Jackson.

1066. Would you not deem it a grave irregularity to pay in the current year sums of money which have been provided in the Estimates for the following year, and not to make an abatement of the Estimates?—Certainly I should.

1067. Even after such an explanation has been given?—The explanation is that there was money under another part of the same ship for that same year, and what was done, that (as I understand the explanation) was not transferring money to one year which was provided for in another year, but transferring money from the hull to the machinery of the same ship.

NAVY APPROPRIATION ACCOUNT.

Vote 10, Section 2—continued.

Mr. Sydney Buxton.

1068. (To Mr. *Forwood*.) How was it that this explanation was not given on the 14th of June instead of the explanation which is given at page 136?—I do not know how that was; I observe that the details I have given you are not given in our letter of the 14th of June.

Chairman.

1069. You cannot explain why the explanation was not given on the 14th of June?—The letter states that a portion of the work was not so far advanced, whilst other work was so far advanced as to justify the payment. It does not go into the intricate details I have endeavoured to give to the Committee as to those ships. It would have been better if the explanation had been more full.

1070. Is there nothing to show that there was money in the Estimates to provide for the hulls of these two ships?—Yes.

1071. Or that it was that year's money that was being used, and not the money in the next year's Estimates?—Yes; our letter of the 14th of June says, "Payments for services expected to be due in 1887-88, and provided in that year's Estimates, were not earned." That was the money on the hull.

Mr. Sydney Buxton.

1072. It does not look as if it were applied to the two ships; surely it would have saved a good deal of print if the explanation had been fuller?—The two ships are not specially brought in. I agree that if it had been fuller it would have saved a good deal of print.

Chairman.

1073. The Admiralty seem to have taken plenty of time to make their reply, for I observe that two months elapse between the letter from the Treasury and the reply of the Admiralty?—That is so.

ADVANCE TO THE CONTRACTOR FOR
H.M.S. "BENBOW."

1074. There seems to have been an irregular advance of 5,000 l., for which no provision had been made in the Estimates, in the case of the "Benbow"; have you any explanation to offer with regard to that?—The Accountant General has put into my hand this explanation: the work was certified for and funds were available under the sub-head of the Vote. This was a liability brought over from 1886-87, and not having been paid that year, necessarily came into the following year.

1075. Should not that have been the subject of a Supplementary Estimate?—It is under the same Vote and the same sub-head.

1076. (To Sir C. L. *Ryan*.) Have you any remark to make upon this explanation that has been given?—No, I think that that explanation might be accepted.

1077. (To

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NAVY APPROPRIATION ACCOUNT.

On VOTE 10, SECTION 1.

SALE OF SHIPS.

Chairman.

1077. (To Mr. Forwood.) The Committee examined Mr. Collett, the Director of Contracts, on the subject of the extent to which Messrs. Castle and Sons appear to have a monopoly of breaking up ships for the Admiralty; I believe you are desirous of giving the Committee information which will throw a little more light upon that subject?—I would like to say this; from the outset of my connection with the Admiralty, I gave very special attention to this question of the disposal of old ships. If the course of procedure had led to Messrs. Castle and Sons obtaining a monopoly of the work, and it has been my endeavour to extend the area of demand for old ships, and so to prevent Messrs. Castle and Sons having that monopoly which they had at first. Perhaps the Committee would let me read one of the first of my Minutes upon that subject, which is dated the 23rd of December 1886: "In the present state of the shipbuilding and ship material market, the price of contracts made two or three years ago can be no guide; and if we decline all tenders and go to Castle's, we rivet a monopoly more firmly round our necks. I would accept tender for the 'Thetis' and the 'Mortar Boat,' withdraw the rest, and re-advertise or offer them by auction in February, with any others ready. Such an action will encourage others to compete." I merely read that Minute to indicate to the Committee what was passing in my mind, wishing as I did to get out of this practice of constantly selling our ships to one firm. I believe the way in which they got so complete a hold of the trade was this; that at one time the Admiralty had a contract with them on a schedule of prices, that is, that they should pay so much per ton for the ships broken up, and that the Admiralty should buy back the material at certain prices. Taking the history from the date of that Minute, very shortly I may say that we declined in January 1887 the offers that were made. They asserted that we asked too high a reserved price for our ships, a higher price than they were worth, and they wrote a letter and pressed us to take up again and make a contract with them as had been done in previous years. The outcome of that communication was, that we agreed with Messrs. Castle and Sons that they should buy from us two small ships, one called the "Foam," and the other called the "Boxer" (the "Foam" at a price of 600 £, and the "Boxer" at a price of 750 £), and that we should have a man at their yard to superintend the breaking up, so as to see really what the result to be obtained from the breaking up was, and to take note of the amount of labour, and so on. The result in the case of the ship, which I am going more particularly to deal with, namely, the "Boxer," which was a small vessel, was that the proceeds according to Messrs. Castle and Sons' statement amounted to 1,452 £; the cost of breaking up exclusive of incidental expenses was 376 £; so that they made 1,076 £, as the net proceeds upon that ship, and the purchase money which they

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NAVY APPROPRIATION ACCOUNT.

Vote 10, Section 1—continued.

Chairman—continued.

were to pay, and did pay for her, namely 750 £, left them a profit of 326 £. I thought 326 £ upon one investment of 750 £. was decidedly too stiff a profit, an unjustifiable profit to be made out of it. I may say that our reserve price in that case had been 850 £, but we could not obtain it. Then as a check we decided to break up in our own dockyard a sister ship to the "Boxer," called the "Teazer." It happened that this vessel was broken up at a time when the price of copper had very much advanced, and the result of the figures given showed that the cost of breaking up a vessel at the dockyard amounted to just the same figure as it cost Messrs. Castle and Sons to break it up in their yard. In the case of the "Teazer" the cost of breaking up was 397 £, and incidental charges 95 £, making 492 £. The materials sold realised 674 £, and the metal returned was valued at 1,460 £, making 2,134 £, and giving as the net proceeds of the "Teazer" 1,642 £. But then, as I said before, the prices of metals (which materially affect the total) had gone up. Taking the "Boxer" which was broken up by Messrs. Castle and Sons, and working out the materials at the same prices, and taking for the cost of breaking up 376 £, and adding 116 £ for incidentals, she yielded 1,547 £ as net proceeds, so that we would have made practically 100 £ more by breaking up at the dockyard than would result according to Messrs. Castle and Sons' return, and we would, of course, have saved Messrs. Castle and Sons' profit. This experiment, of course, took some time to carry out; but in the meantime we had ships to sell, and a communication was made to the Admiralty upon the subject. I will mention, as an instance, a vessel, the name of which I see on the Minutes, namely, the "Simoom." A vessel was wanted for a coal-hulk, and this vessel was proposed. The Dockyard reported the breaking up value of the ship as 1,200 £; and as we got an offer from the parties who wanted the vessel of 2,100 £, I thought it was too good a piece of business to refuse; and we sold that ship. I had another object in doing so, namely, that I wanted to show Messrs. Castle and Sons that there were other buyers of our ships besides themselves. In the case of the second ship called the "Canopus," we also accepted an offer from Mr. Pethick of 1,750 £, but I should say that before we did that Messrs. Castle and Sons offered 1,750 £ for the same ship. I replied in that case that they could have her at 1,850 £; however, they not only refused to pay 1,850 £, but they withdrew their offer for 1,750 £, and reduced it to 1,500 £, because they said she was an old French built ship. I thereupon advised the Controller to accept Mr. Pethick's offer of 1,750 £. Those were the two ships alluded to by the Director of Contracts, which may more or less be said to have been sold by private negotiation.

Mr. Sydney Buxton.

1078. Were those ships to be broken up or not?—The "Simoom" was to be used as a coal hulk;

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NAVY APPROPRIATION ACCOUNT.

Vote 10, Section 1—continued.

Mr. Sydney Buxton—continued.

hulk; the "Canopus" was to be broken up, and I believe she was broken up.

Mr. Barran.

1079. How many ships do you break up a year?—We do not break up any.

1080. How many do you sell for breaking up?—It is very difficult to say; I suppose it would be 16 to 20 ships. Then the next proceeding was in 1887 when we advertised 16 ships for sale. I may say that we advertised the vessels for sale and also send out particulars of the vessels to everybody who we think is likely to come in and do business. On this occasion in 1887 Messrs. Castle and Sons declined to tender; they said practically, we have been doing business quietly hitherto, and we will not tender and come into competition; why should we? We are willing to go on as we have done hitherto; the result was as regards those 16 ships we got several offers and sold some of the ships to different buyers, and we had a very cross letter from Messrs. Castle and Sons about our action, and referring to the vast amount of money they had paid, and the large purchases they had made from the Admiralty. On the 7th of November Messrs. Castle and Sons wrote that they would increase their offer for the 14 ships by 3,000 *l.* on account of the rise of copper, and that they hoped that as their dealings with the Admiralty had existed since 1864, and that during that time they had paid about 535,000 *l.* for old ships their Lordships would not now deviate from the course hitherto pursued.

Mr. Sydney Buxton.

1081. Did you get good prices for the ships which you sold outside?—Yes, we got better prices than those of Messrs. Castle's offer. For another lot of ships, however, we did not get our limits, and Messrs. Castle and Sons did not tender, but they sent a subsequent letter in to say that they would give what was about 2,000 *l.* more than our limit. I should say that the proposal in their letter was subject to conditions to be arranged. We wrote back to them to say that we would accept their tender as it was, and then they wrote to say what their conditions were; and the conditions were that we should undertake to pay a certain price for the copper got out of the ship. The copper market was in a peculiar condition at that time, and to accept that condition would have been practically guaranteeing them a profit, that is, they wanted us to guarantee a minimum price for the copper. After saying that they made an offer they added this condition which was practically a withdrawal of their offer; and we naturally felt very much annoyed, and determined that we would have no more business with them. Then they apologised, and have bought some ships since. I believe, however, on the whole, we have improved the position in which the Admiralty was as regards the sale of ships, and we can now get a better market. But what I regard as the main security above all against the

NAVY APPROPRIATION ACCOUNT.

Vote 10, Section 1—continued.

Mr. Sydney Buxton—continued.

breaking-up growing into a monopoly in any one's hands is the fact that we can break the ships up in our own docks; and I hope that the policy may be in future that if we do not get a price fairly approximating to what our officers think is the value of the ships, and if there is any attempt on the part of the buyer not to give us the full price, we shall break them up ourselves, and dispose of the materials ourselves. I mention all this to show that this question of breaking up our ships has been a matter of considerable anxiety, and that considerable trouble has been taken since we have been in office to try and make the best arrangements possible.

Chairman.

1082. You may have observed that Mr. Collett, in answer to Question 387 said that there was great objection to employing labour in breaking up ships at the dockyards which can otherwise be better utilised; he said that the system had been tried some 25 years ago; and the gist of his evidence is that he thought there were fatal objections to breaking up the ships in dockyards; I gather that you do not agree with that view?—Yes, I do; I think there are great objections. The dockyards are better without the breaking-up work; it disturbs the general regular current of their business, and to do it economically they must bring in a low class of cheaper labour. It is far better if we can get a reasonable price outside to sell the ships outside, and not lumber up the dockyard with old material. But what I say is that we have a certain safeguard against being imposed upon by having this power in our hands.

1083. And you would be prepared to make use of that means for keeping the purchasers of old ships within bounds?—Yes.

Mr. Arthur O'Connor.

1084. Were the "Boxer" and "Teaser" twin ships?—Yes.

1085. Do I understand that it cost you to break up the "Teaser" in the Dockyard 100 *l.* more than it cost Messrs. Castle to break up the "Boxer"?—No; according to the figures given to me it cost us 397 *l.* in labour to break up the "Teaser," and 95 *l.* we put down as incidentals, establishment charges, &c., that is 492 *l.* altogether. To break up the "Boxer" cost, according to the return given by Messrs. Castle, 376 *l.* for labour, that is 20 *l.* less.

1086. That shows a difference of more than 100 *l.*?—The labour cost Messrs. Castle only 20 *l.* less; 397 *l.* was the labour in the dockyard for breaking up the "Teaser"; 376 *l.* was the sum put down for labour by Messrs. Castle and Sons for breaking up the "Boxer."

1087. But then you have incidental expenses over and above the 397 *l.*?—Yes, and you may take it that Messrs. Castle had incidental expenses also.

1088. Then you have not given us the full materials to enable us to form a comparison; the total

10 April 1889.] Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., Mr. RYDER, [Continued.
Mr. FORWOOD, M.P., Mr. GILBERT, and Mr. YORKE.

NAVY APPROPRIATION ACCOUNT.

Vote 10, Section 1—continued.

Mr. Arthur O'Connor—continued.

total figures you have given us for the Government breaking up the "Teaser" amount to 492*l.*, of which 397*l.* is for labour, and 95*l.* for incidentals; but for Messrs. Castle's breaking up, the figure you give us is only 376*l.*?—Yes, but I do not know what their incidental expenses are.

1089. Then we are not able to institute a safe comparison between the two, are we?—I think we are because the labour is the great element; the incidental expenses go on whether you break up a ship or not.

Mr. Barran.

1090. You mean the establishment expenses go on?—Yes, the establishment expenses. I was gratified to see the labour come out so closely, which was the real element in the comparison in it.

Mr. Arthur O'Connor.

1091. Would you say that the incidental expenses of Messrs. Castle and Sons are as high whether there is work done or not, as they are in the dockyard?—I could not form an opinion with regard to that.

1092. It is a matter of speculation, more or less?—Yes, Messrs. Castle and Sons' incidental expenses would include their rent and expenses of management, and so on; it would depend upon the amount of the turnover in the year; it might be 20 per cent. in one year, and 50 per cent. in another; I cannot say what it would be.

1093. You told us that in January 1887, certain offers were declined?—Yes.

1094. Who made those offers?—I cannot tell you that; I have not got the names here.

1095. Could you tell me whether any offer came from Liverpool or Birkenhead?—I think not, the sales were advertised there.

1096. The "Great Eastern" was broken up not long ago; do you remember how the owners of the "Great Eastern" proceeded when they wanted to have the ship broken up?—Yes, they beached her at Liverpool.

1097. Did the owners beach her?—Yes; they then divided her up piecemeal and put her up to auction.

1098. Was not the whole thing put into the hands of some auctioneers named Dickson and Moore?—There was an auction on board the ship, I think; they sold to one man one class of material on the ship, and to another man another class of material; they divided up the materials.

1099. Did the Admiralty ever try to get rid of their old ships in the same way?—Some years ago they used to try to sell by auction, but I rather agree with the view of the Director of Contracts that you are not likely to do as well by auction as you are by a system of advertising and private treaties; I think there is much more likelihood of a ring being created by selling in an auction room, where everybody sees everybody else, than by advertising that you will receive tenders.

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NAVY APPROPRIATION ACCOUNT.

Vote 10, Section 1—continued.

Mr. Arthur O'Connor—continued.

1100. I suppose that the sale of the "Great Eastern" attracted a considerable amount of attention in the ship-owning world, did it not?—It did in the ship-breaking world, such as it is.

1101. Did it not in the ship-owning world?—The ship-owning world did not take much interest in it, I think.

1102. Has there not been a good deal of talk about the figures of the estimates and the prices actually got?—I have heard it stated that she was bought for something like 20,000*l.*, and the old material was to be sold for 45,000*l.* or 50,000*l.*; but then there would be the cost of breaking up, whatever that would be; the "Great Eastern" is an exceptional case entirely.

1103. It is exceptional, I suppose, in the matter of scale?—Yes.

1104. Are there any people at Birkenhead known to the Admiralty, who break up ships who would be likely to offer reasonable prices?—I know that there is a ship-breaking place on the Birkenhead side of the river where a good many old ships are broken up.

1105. Are there not two or three?—I do not know of more than one.

1106. Is there not one, Ross, Hunt, and Company?—I do not know the names.

1107. Is there not one of the name of Clover and Clayton?—They are large ship repairers, not ship-breakers.

1108. Do they not break up ships?—I should not think so. Their dry docks are too valuable to use for breaking. If they care to break up our ships, there is no reason why they should not tender; they have an opportunity of tendering.

1109. How are those people to know anything about the relations of the Admiralty with Messrs. Castle and Sons, or the prices at which the Government property is parted with?—In the first place we advertise that we have certain ships to sell, naming them, and we send out particulars of the forms of tender we will receive to all persons whom we know of who are at all likely to buy, and if anybody desire to buy we should only be too glad to have them communicate with us, and to give them particulars.

1110. Have you actually communicated with any of these firms at Liverpool and Birkenhead, Ross and Hunt, Clover and Clayton, and Moore and Killock?—That I do not know, I could not tell you the names.

1111. Would not Liverpool and Birkenhead be a very likely market for ship-breaking?—The difficulty is to get premises to break up in. I know of no place at Liverpool except on the beach at Tranmere, where a man would be able to break up at a cheap cost. Along all the river frontage, and in all the docks belonging to the Dock Board, I do not think they would allow breaking up.

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1112. Would

10 April 1889.] Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., Mr. RYDER, [Continued.
Mr. FORWOOD, M.P., Mr. GILBERT, and Mr. YORKE.

NAVY APPROPRIATION ACCOUNT.

Vote 10, Section 1—continued.

Mr. Arthur O'Connor—continued.

1112. Would you be surprised to hear that the Liverpool ship-builder laughs at the way in which the Admiralty gets rid of its old vessels?—I am surprised to hear that he should laugh; if he does he must know nothing at all about our practice.

Chairman.

1113. I want to ask you one question about the "Briton." There seems to have been a very large expenditure on that vessel during the last years of her life, and even within the last six months of her life?—Yes.

1114. Are you prepared to give any explanation of that?—The explanation from the Naval Authorities was that she was there upon the Station; there was no other vessel to take her place, and it was important from a naval point of view that she should be made fit to maintain

NAVY APPROPRIATION ACCOUNT.

Vote 10, Section 1—continued.

Chairman—continued.

her crew until a vessel could go out to take her place.

1115. It seems already to have been a very wasteful thing to have spent so much money on a ship which seems to have been infested with ants, and to be moribund?—There is a good deal to be said from that point of view.

1116. You are not, I understand, prepared to give us any special justification for that expenditure?—No, except as I say that those responsible for the expense from a naval point of view said that it was important and necessary to have the ship fit for service until a substitute could be found for her.

1117. (To Sir C. L. Ryan.) Do you desire to make any further criticisms upon the expenditure upon the "Briton"?—I think not. I took out the statement of the actual expenditure year by year, which the Committee seemed to wish to have.

Mr. ARTHUR SPRATT, called in; and Examined.

ON VOTE 10, SECTION 2.

PAYMENTS TO CONTRACTORS FOR STEAM MACHINERY AND SHIPS BUILDING BY CONTRACT.

Chairman.

1118. As representing the Controller of the Navy have you any explanation to offer with regard to paragraph 24 of the Comptroller and Auditor General's Report as regards the machinery for propelling?—The explanation is as follows: the sum of 603,847 l. expended under Sub-head A. in Vote 10, Section II., in the twelve-months of 1887-88, may be divided under two heads; the first is expenditure on propelling machinery under construction prior to 1887-88; and the second is expenditure on propelling machinery to be ordered in the year 1887-88. Under the former head we spent in the twelve months ending 31st March 1888, 349,166 l. on 26 sets of propelling machinery, &c., 13 sets for dockyard-built ships, and 13 sets for contract-built ships. In the month of March 1888 we spent 81,286 l. on those engines, which may, I think, be considered fairly satisfactory. But under the latter head, of propelling machinery to be ordered in 1887-88, the expenditure upon 22 sets of machinery, &c., 20 for dockyard-built ships, and two for contract-built ships, did not commence till October 1888, the contracts not having been entered into till late in the financial year in consequence of unavoidable delays, such, for example, as the revision of the form of specification to which parties were invited to tender, and waiting for the result of trials of machinery of certain ships of a new type before ordering similar new machinery, and from other causes. So that it was not till late in the financial year that the work was sufficiently advanced for the contractors to send in their claims for payment of instalments earned under the respective contracts.

Chairman—continued.

On the contracts entered into for the 22 sets of new engines ordered in 1887-88, we paid prior to the month of March 1888, 90,797 l.; and in the month of March we paid 163,884 l., which latter is undoubtedly a large amount.

1119. That still leaves a balance of over 80,000 l. paid in March on other machinery for propelling?—Yes, upon the propelling machinery for ships under construction prior to the commencement of the financial year 1887-88 we paid 81,286 l., and that sum, added to the 163,884 l., makes up the amount quoted by the Comptroller and Auditor General in his Report, viz., 245,170 l.

1120. Has your attention been called to the view expressed by the Public Accounts Committee in 1885 that a more even distribution of payments to contractors is a point that should be carefully watched?—Yes; I have read the evidence, and I agree with the opinion expressed therein, but on this occasion it was not possible to effect a more even distribution of payments. We had to put pressure upon the contractors to get them to advance the work to suit the ships, otherwise the ships would have been delayed.

1121. In the actual building of the ships there seems to have been a much greater approximation to an even expenditure from month to month?—Yes; that is explained by the fact that nearly all these ships were under construction previous to the year 1887-88. We only ordered two cruisers and a couple of torpedo boats in the way of new work in that year.

1122. (To Sir C. L. Ryan.) How far does this explanation

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Mr. FORWOOD, M.P., Mr. GILBERT, Mr. YORKE, and Mr. SPRATT.

NAVY APPROPRIATION ACCOUNT.

Vote 10, Section 2—continued.

Chairman—continued.

explanation satisfy you?—I can hardly express an opinion upon it, as I was not able thoroughly to follow it, but I should imagine that it would be possible for the Admiralty (if they had really tried to do so) to have spread the payments for the machinery as evenly as they have spread those for the hulls. (Mr. *Spratt*.) Had the machinery been ordered early in the year that would have been possible, but it was ordered late in the year.

Mr. *Barran*.

1123. Does not this strike you as a very large proportion of the whole contract to have fallen in in such a very short period of time?—I think the explanation is this: the contract price of the propelling machinery is divided into a certain number of instalments, ranging from six to 16 in number, according to the size and power of the engines, but as the work defined under several of the instalments proceeds concurrently it is possible for three or four of those instalments to become due in a very short period of time.

1124. I presume that care is taken to see that the money is earned before the payment is made?—Nothing is paid till the work is inspected by the engineer inspectors, and a certificate given that payment is due. The payments made on the engines ordered in 1887-88 were not advances on the specified instalments, but were provided for under the respective contracts.

Chairman.

1125. (To Sir C. L. *Ryan*.) I think that you have prepared a memorandum relative to Her Majesty's ship "Briton," showing the expenditure in various years?—I have.

1126. Will you hand it in?—Yes. (*The same was handed in, vide Appendix.*)

ADVANCES TO SIR WILLIAM ARMSTRONG
AND COMPANY FOR GUN MOUNTINGS.

Chairman.

1127. (To Mr. *Gilbert*.) We were informed at the last meeting of the Committee that nine of the gun mountings supplied by Sir William Armstrong and Company had not been traced; can you give the Committee any information upon that subject?—I take it that you mean that the payments for them have not been traced?

1128. They have not been traced into the Accounts of Receipt given by the officers?—There is no question as to their actual delivery, I take it, but they have not been paid for yet, because all the parts incidental to the mountings have not been delivered.

1129. (To Sir C. L. *Ryan*.) Can you throw any further light upon this subject?—Only two of these eleven mountings have been shown on the Accounts of Receipt, but the whole eleven are stated to have been delivered. I believe that the reason why they cannot be shown in the Account of Receipt is that they have not been tested as was

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NAVY APPROPRIATION ACCOUNT.

Vote 10, Section 2—continued.

Chairman—continued.

explained at the last sitting of the Committee. When they are tested then they are brought on to the Accounts of Receipt, and then we are able to identify the receipt of the article with the payment. Till that comes we cannot identify them.

1130. (To Mr. *Gilbert*.) When portions of gun mountings are received is a memorandum of receipt given for them pending the testing of the complete gun mounting, and pending the giving of the formal receipt when they are taken over in charge?—The receipt, or memorandum, would be given as a carrier's receipt might be given. The final receipt would not be given, nor would the things be entered on the Accounts of Receipt until the whole completed article had been certified by test as being satisfactory.

1131. Is it a regular practice to give a memorandum of receipt?—Certainly, for the delivery, if asked for.

Mr. *Barran*.

1132. Have you the counterpart of that memorandum in your possession?—There would be a record in the possession of the Admiralty for everything delivered.

1133. Is there a counterpart of the receipt which is given to the War Office on the receipt of these parts?—I have no doubt that a counterpart of whatever receipt was given to the War Office was kept; I have not looked to see in this particular case, but that would be the rule of the Service.

1134. (To Sir C. L. *Ryan*.) May I ask whether that memorandum being in the possession of the Admiralty would be any guide to you in looking into the accounts of the Spending Department at the Admiralty in relation to this particular matter?—Since this Committee has had this question before it I have been to Woolwich and seen the system there to some extent, and I think that the only receipt that really does exist is what may be called an invoice or bill of lading; there is no formal receipt at Woolwich for these articles. On the contrary, they are constantly writing for receipts because they are aware at Woolwich that they should have taken them off charge on their ledger. The particular article which I instanced is one that I had actually seen at Portsmouth not on charge, and I found on referring to the ledger at Woolwich, that it had been taken off charge there, so that it is absolutely in nobody's charge. At the same time the officer at Woolwich told me that he did not consider himself finally discharged from liability for that article till he got the receipt from Portsmouth Dockyard, which he had not got.

1135. Do you not think it quite practicable to open an account in connection with this kind of work, and to have entered in that account the sections as they are delivered?—It is a question of labour.

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1136. Do

10 April 1889.] Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., Mr. RYDER, [Continued.
Mr. FORWOOD, M.P., Mr. GILBERT, Mr. YORKE, and Mr. SPRATT.

NAVY APPROPRIATION ACCOUNT.

Vote 10, Section 2—*continued.*Mr. Barran—*continued.*

1136. Do you not think that that would be a businesslike way of doing the work so as to keep a check upon it?—I am myself disposed to think that the fault rather lies with Woolwich, and that the remedy is that Woolwich, which is the manufacturing department, should deliver the article completed, and should not send over to

NAVY APPROPRIATION ACCOUNT.

Vote 10, Section 2—*continued.*Mr. Barran—*continued.*

the Admiralty the article otherwise than in a completed shape. Then the difficulty would not arise, and I see no objection to that course being followed, because I cannot think that it would be desirable that the test of Woolwich, which is accepted for all other articles, should not be accepted also for gun mountings.

A P P E N D I X.

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A P P E N D I X.

Appendix, No. 1.

PAPERS handed in by Mr. *E. W. Hamilton*, C.B., 13 March 1889.

TREASURY MINUTE ON FIRST AND SECOND REPORTS.

Treasury Chambers, 10 January 1889.

1. MY Lords read the First and Second Reports of the Committee of Public Accounts upon the Appropriation Accounts of the year 1886-87, and also upon the Store Accounts of the Army and Navy so far as these latter Accounts have been examined and reported upon by the Comptroller and Auditor General.

FIRST REPORT.

EXCESSES.

2. The Excesses upon the grants for Civil Services in the year 1886-87 were only two in number, amounting together to 3,309 *l.* 7 *s.* 4 *d.*, and were voted by the House of Commons on the 15th March 1888.

CLASS II., VOTE I., HOUSE OF LORDS OFFICES.

3. Write to the Clerk of the Parliaments :—

Sir,

THE net deficit on the Vote for Offices of the House of Lords, 48 *l.* 14 *s.* 10 *d.*, was, as you are aware, voted by the House of Commons on the 15th March last, the reason given by you for the excess having been accepted as satisfactory by the Public Accounts Committee.

The Lords Commissioners of Her Majesty's Treasury take note of your statement to the effect that, inasmuch as in future the salaries will be paid quarterly instead of sessionally, no charge will be incurred in respect of the salary of the Chairman of Committees should that office be vacant during the Recess.

Q. 12.

I am, Sir,

Your obedient servant.

CLASS III., VOTE V., COUNTY COURTS.

4. Write to the Superintendent, County Courts Department :—

Sir,

THE net deficit of 3,260 *l.* 12 *s.* 6 *d.* on the Vote for your Department during the year 1886-87 was, as you are aware, voted by the House of Commons on the 15th March last.

The Committee of Public Accounts appear to have fully realised the necessary difficulties which you experience in forming a forecast of the probable expenditure under your Vote during the fourth quarter of each financial year; the only suggestion which occurs to their Lordships is that possibly a comparison between the *December quarters* of the last and current years or between the *second six months* of each calendar year might give some useful information as to the probable course of business in the immediate future. They notice that in your evidence you speak only of comparisons extending over 12 months.

Q. 19, 25.

I am, Sir,

Your obedient servant.

SECOND REPORT.

CIVIL SERVICES.—CLASS I.

5. Write to the First Commissioner of Works :—

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to send you a copy of paragraphs 1 to 5 of the Second Report of the Public Accounts Committee, 1888.

Vote 1.—Royal Palaces.

The Committee do not object to the charge to Building Votes of gratuities paid in the circumstances which existed in the cases before them. No alteration, therefore, need be made in the present practice on this point ; but such payments should be distinctly noted in the Account.

Vote 13.—Surveys of the United Kingdom.

My Lords hope that the next Account will show a further reduction in the amount outstanding for maps supplied to the Land Judges Court, Ireland. If it does not do so, the fact should be brought specially under the notice of their Lordships.

Q. 95, 103.
Q. 92.

As regards the stock accounts of the Ordnance Survey, their Lordships understand that the Stock Ledgers are now, or will shortly be, in a satisfactory condition, and that a running stocktaking has been instituted ; but that it is not proposed (for reasons given by Mr. Primrose in his evidence) to hold a single annual stocktaking, or to compile a complete statement of stock. In connection with this point My Lords would inquire (1) how often (on an average) it is proposed that stock should be taken of each article ; (2) whether, without serious extra cost, the balances of all the stock ledger accounts, as checked, could not be valued and totalled, so as to give some general idea of the value of the stock in charge of the Survey Department ?

Q. 148.

With reference to the question whether the divisional records of stores might not be so extended as to include stationery, I am to say that the decision upon this point appears to their Lordships to depend mainly upon the magnitude of the amounts involved ; and they would, therefore, ask whether you can give them any idea of the quantity of the stationery annually issued to each divisional officer, and state whether the issue includes any items differing much, in character or value, from those usually issued to ordinary clerical departments of the public service.

Vote 14.—Science and Art Department Buildings.

My Lords need add nothing to the comments of the Committee on the action of your Department in regard to the refreshment room at the South Kensington Museum, as they feel confident that those comments will in future be remembered by your Department in any similar case which may arise.

I am, Sir,

Your obedient servant.

Vote 18.—Peterhead Harbour.

6. Write to the Secretary to the Admiralty :—

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you herewith, to be laid before the Lords Commissioners of the Admiralty, a copy of paragraph 6 of the Second Report of the Public Accounts Committee, 1888, relating to the Appropriation Account of the Vote for Peterhead Harbour, 1886-87 ; and I am to say that as the payment for certain land, the purchase of which did not appear to be finally concluded, has been admitted by the Committee, it only remains for the Admiralty and Treasury to take note of the general principle upon which the Committee have proceeded. My Lords conceive that the determining consideration in the case was the legal opinion that "it was " no longer open to either party to recede from their bargain."

Q. 185, col. b.

I am, Sir,

Your obedient servant.

Vote 23.—Public Buildings, Ireland.

7. Write to the Commissioners of Public Works, Ireland :—

Gentlemen,

THE Comptroller and Auditor General, in his Report on the Appropriation Accounts for 1886-87, has called attention to the omission of your Board to enforce for a period of 8½ years the payment of a rent due by the Dublin, Wicklow, and Wexford Railway Company.

Though the Committee of Public Accounts do not comment on the omission, My Lords feel bound to say that they cannot consider the explanation given on your behalf to be sufficient ; and they trust that you will satisfy yourselves that ample precaution has been taken to prevent the occurrence in future of a *laches* which is not creditable to the public service.

I am, Gentlemen,

Your obedient servant.

Class 11., Vote 5.—Foreign Office.

8. Write to the Under Secretary of State, Foreign Office :—

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you herewith, to be laid before the Marquis of Salisbury, a copy of paragraph 7 of the Second Report of the Public Accounts Committee, 1888. Their Lordships are not aware whether any part of the decrease in Sub-head D. of the Foreign Office Vote for the present year is attributable to savings upon the travelling expenses of Home Service Messengers.

I am, Sir,

Your obedient servant.

Vote 8 (1884-85).—Privy Seal Office, 1884-85.

9. The Committee have again referred to the outstanding question of the payment to Mr. Van Baerle, as clerk in the Privy Seal Office, while in custody on a charge of embezzlement.

My Lords have recently been able to communicate on the subject with Lord Carlingford, who was Lord Privy Seal in 1884, when the payment was made. My Lords append the letter addressed to Lord Carlingford on the 2nd November 1888, and the reply which his Lordship has made to it through Mr. J. R. Dasent, who was acting as his private secretary at the time.

17427—88.
17840—88.*See Appendix A.*

My Lords have referred to the papers of 1884-85, and they feel bound to admit that Lord Carlingford might reasonably have taken the letter of the 10th November 1885 to constitute a covering sanction to the payment, which was disallowed by the Committee of Public Accounts in their Report of 1886.

17955—84.

My Lords note that the letter was not apparently before the Committee in 1886; owing probably to its not forming part of the printed correspondence appended to the Report of the Comptroller and Auditor General.

At this distance of time it is not possible to say how far the Treasury, when directing that letter to be written, were fully cognisant of all the circumstances connected with the case; but my Lords are led to think that, though the Board of that day were aware that Mr. Van Baerle was under a charge of felony, they did not feel justified in asking the Lord Privy Seal to withhold payment of the salary, because the charge had not been proved, and the suspension of the salary would have entailed disaster on Mr. Van Baerle's family.

1749—85.
*See Memorandum
on 17955—84 and
1749—85.*

Under the circumstances, My Lords feel bound to take the responsibility for the payment on themselves, and they hope that with this explanation the Committee will see their way to being able to remove the disallowance.

Send copy of this paragraph to Mr. J. R. Dasent.

Vote 9.—Bankruptcy Department of the Board of Trade.

10. *Para. 10.*—The sum of 200 *l.* reported for disallowance by the Comptroller and Auditor General will remain charged to the Vote, the objection being now removed. The surplus to be surrendered will be 252 *l.*, as shown on the account, together with 229 *l.* 13 *s.* 8 *d.*, the balance of advances over expenditure.

Vote 12.—Exchequer and Audit Department.

11. *Pura. 11.*—My Lords have received a letter from the Comptroller and Auditor General, dated the 22nd October 1888, containing his proposal for providing an external audit of the Vote Account of his Department. They append the letter to this Minute in order that it may be laid before the Committee of Public Accounts next Session. Their Lordships will only observe that the proposal made by the Comptroller and Auditor General does not commend itself to this Board, inasmuch as it may establish a claim for extra remuneration to the officer appointed by the Speaker. Moreover, the necessity for it is not apparent, while there are Treasury Officers of Accounts whose duty it is to be associated in the inspection or examination of any Accounts in Public Departments.

*See Appendix B.**Vote 15.—Local Government Board.*

12. My Lords notice that the Comptroller and Auditor General has suggested, with regard to the payments for Poor Law medical officers, &c., "that it would be more convenient to adopt the practice pursued with regard to pauper lunatics, county and borough police, &c., by showing these grants in a separate vote." The Public Accounts Committee make no observation on this point, and the items in question will disappear from the English Vote after this year.

Vote 19.—Patent Office.

13. Write to the Secretary, Board of Trade:—

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you herewith a copy of Paragraph 13 of the Second Report of the Committee of Public Accounts, 1888, relating to the Patent Office Vote. My Lords have received a copy of the Regulations proposed by the Comptroller of the Patent Office for keeping a record of spoiled Patent Office Fee Stamps, for which allowance is made; and I am to request you to inform the Lords of the Committee of Privy Council for Trade that they are inviting the Commissioners of Inland Revenue to report as to the necessity for keeping any such record in the Patent Office.

I am, Sir,

Your obedient servant.

Nota.—The Regulations referred to are filed in 291—89.

Write to the Commissioners of Inland Revenue:—

Gentlemen,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to invite your attention to paragraph 13 of the Second Report of the Public Accounts Committee of this Session (House of Commons Paper 317), and questions 572-720 of the evidence annexed thereto. The subject there dealt with is one upon which your opinion is of primary importance, as it relates to the security of the Patent Fee Stamps Revenue, which is in your charge. My Lords presume that some record of spoiled stamps is kept in your Department, the repayments in respect of them being probably included for 1887-88 in the sum of 273 *l.* shown under the head of "Discounts and Repayments," at page 38 of the "Finance Accounts." They would, however, be glad to know whether this is correct, and whether in your opinion any improved arrangements could be introduced at the Patent Office in the interest of the Revenue. A copy of regulations on the subject proposed by the Comptroller of the Patent Office is forwarded herewith.

I am to ask whether similar circumstances exist in other Departments where fee stamps are used, and whether you have any general remarks to make upon the working of that system.

I am, Gentlemen,

Your obedient servant.

Vote 27.—Mercantile Marine Fund.

14. Write to the Secretary, Board of Trade:

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to request you to lay before the Lords of the Committee of Privy Council for Trade the accompanying copy of paragraph 14 of the Second Report of the Committee of Public Accounts, 1888, embodying the remarks of that body on the present condition of the Mercantile Marine Fund.

My Lords, while taking note of the diminution of the deficit already secured and the further one expected to follow, have to observe that the solvency of the fund has by no means been attained at present. As, however, their Lordships are about to take part in a detailed investigation of the finances of that fund, no further observations on their part are required at present.

It is matter for congratulation that satisfactory arrangements have been arrived at with the Trinity House and the Boards of Scotch and Irish Lights on the subject of their expenses.

I am, Sir,

Your obedient servant.

Vote 28.—Secret Service.

15. *Para. 15.*—Their Lordships observe with satisfaction that the Committee consider that the amended certificate proposed by this Board "answers all reasonable Parliamentary requirements." They have not yet been favoured with any expression of the views of the Comptroller and Auditor General upon the point, but they may observe that the certificates for the year 1887-88 have been rendered in the form approved by the Committee.

Vote 31.—Fishery Board for Scotland.

16. Write to the Under Secretary for Scotland:—

Sir,

IN transmitting to you herewith the enclosed copy of paragraph 17 of the Second Report of the Public Accounts Committee, 1888, I am directed by the Lords Commissioners of Her Majesty's Treasury to request you to move the Secretary for Scotland to instruct the Fishery Board to take note of the observations of the Committee respecting the postponement of payments which might have been met out of the Vote for the service of the year. The circular which formed part of the Treasury Minute of 27th December 1886 (on the Public Accounts Committee's Reports of 1886) refers only to the case of an excess on the total Vote.

The balance to be surrendered will be 344 *l.* 17 *s.* 9 *d.*, as shown on the Account.

I am, Sir,

Your obedient servant.

Evidence,
Q. 1862—1900.

Vote 36.—Chief Secretary for Ireland.

17. Write to the Chief Secretary :—

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to request you to submit to His Excellency the Lord Lieutenant the enclosed copy of paragraph 18 of the Second Report of the Public Accounts Committee, 1888; and I am to observe that in view of the fact that Mr. Coffey has left the Public Service, and of the opinion of the Public Accounts Committee, that "the irregular payments already made in connection with this officer's salary may be admitted," the question is now at an end.

The amount of 121 l. 1 s. 2 d., held in suspense in respect of Mr. Coffey's salary in 1885-86, can now be finally charged to the Vote.

I am, Sir,

Your obedient servant.

Vote 38.—Local Government Board, Ireland.

18. Para. 19. Write to the Secretary to the Local Government Board, Dublin :—

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to inform you that the Public Accounts Committee of 1888 have expressed the opinion that every effort should be made to recover the arrears due from local authorities in connection with the "Labourers" and "Public Health" Acts; and I am to request that the Local Government Board for Ireland will cause their Lordships to be furnished with a statement showing in detail the amounts due from such causes which are in arrear for 12 months and upwards, together with a statement of the special reasons (if any) for the delay in each case, and of the steps being taken to recover the amounts. This information should be given as at any date convenient to the Local Government Board.

I am, Sir,

Your obedient servant.

Vote 39.—Public Works Office, Ireland.

19. IN the evidence before the Committee (Questions 298 to 305) the question was raised whether there had been a breach of faith on the part of the proprietors interested in the River Barrow Drainage, as seemed to be implied in the letter quoted by the Comptroller and Auditor General in his Report on this Account. On referring to the complete correspondence, my Lords find that there was no pledge given which would bind the local proprietors to pay the balance referred to.

Vote 40.—Record Office, Ireland.

20. Write to the Master of the Rolls in Ireland :—

My Lord,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to call your Honour's attention to paragraph 20 of the Second Report of the Public Accounts Committee of the House of Commons for 1888 (a copy of which paragraph is enclosed), and I am to say that their Lordships have instructed the Treasury Remembrancer to communicate with yourself and the Deputy Keeper of Public Records with a view to the consideration of the question whether the introduction of the system of fee stamps in the Public Record Office in Ireland would be practicable and advantageous.

I am, my Lord,

Your obedient servant.

Write to the Treasury Remembrancer in Ireland :—

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to inform you that the Comptroller and Auditor General has drawn attention to the fact that whereas the fees for certificates, &c. in the English Record Office are payable in stamps only, those in the corresponding Irish Department are collected in cash; and the Public Accounts Committee of 1888 have suggested "that the Treasury should consider whether any advantage would be gained by extending the use of fee stamps to this Office."

I am accordingly to instruct you to communicate with the authorities of the Irish Record Office and report to my Lords whether, in your opinion, it would be an improvement to introduce the use of stamps into that Department, and whether there is any legal or administrative difficulty in the way of making such a change. Your own acquaintance with the working of the system of Judicature Fee Stamps, together with the information you can obtain from the Inland Revenue Authorities in Dublin, should enable you to form an independent judgment upon the point.

I am, Sir,

Your obedient servant.

CLASS III.

Vote 13.—Prisons, England.

21. Write to the Chairman, Prisons Board, England :—

Sir,

3685—88.

I AM directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you herewith a copy of paragraphs 21 and 22 of the Second Report of the Public Accounts Committee, 1888. With regard to the schemes for Prison Charities, their Lordships understand, from correspondence with the Home Office, that a model form of scheme has been settled by the Charity Commissioners, and has been put in force in at least one case, that of Bishop Andrew's Charity. It will be convenient that a statement of the present position of this matter brought down to the latest convenient date, should accompany the draft Estimates for your Department for 1889-90 when submitted to their Lordships.

I am, Sir,
Your obedient servant.

Vote 21.—Law Charges and Criminal Prosecutions, Ireland.

22. Write to the Under Secretary for Ireland, Dublin Castle :—

Sir,

Q. 785—815.

I AM directed by the Lords Commissioners of Her Majesty's Treasury to request you to lay before His Excellency the Lord Lieutenant the enclosed copy of paragraph 23 of the Second Report of the Public Accounts Committee of 1888, respecting the Vote for Law Charges, Ireland.

Their Lordships having read Mr. Coll's evidence before the Committee, gather that his Excellency is not prepared to dissent from the position which they feel it their duty to take up, and in which the Public Accounts Committee concur, that—

- (1.) Any new general class of expenditure, when not expressly authorised by statute, requires previous Treasury authority. (The payment of the costs of defendants at a winter assize is an example of this.)
- (2.) Any distinctly exceptional expenditure should be reported to the Treasury, at least for covering sanction. (The expenses incurred in the apprehension of William Sheehan appear to be clearly of this character.)

My Lords cannot think that the observance of these two rules could hamper the Irish Government in the administration of justice.

After the proceedings before the Committee the payments of 6 *l.* 18 *s.*, and 5 *l.* 5 *s.*, questioned by the Comptroller and Auditor General, may remain charged to the Vote, the surplus upon which will be 655 *l.* 4 *s.* 2 *d.*

I am, Sir,
Your obedient servant.

Vote 28.—County Court Officers, &c., Ireland.

23. Write to the Treasury Remembrancer, Ireland :—

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you copies of paragraphs 24, 25, and 26 of the Second Report of the Public Accounts Committee, 1888.

Para. 24. In accordance with the view expressed by the Committee, my Lords have thought it expedient to obtain an authoritative legal opinion on the question raised by the Comptroller and Auditor General whether Clerks of the Crown and Peace are, as at present appointed, qualified to receive pensions, before that question arises in a practical form; and they are advised by the Law Officers of the Crown that there is no necessity for the officers in question to obtain Civil Service certificates in order to qualify for pension on retirement.

A Bill was introduced into the House of Commons to regularise the *status* and remuneration of the Divisional Magistrates. The efforts made to proceed with it were, however, unsuccessful, and in consequence of the persistent opposition it was found necessary to withdraw the Bill; but it is intended to re-introduce it early next Session.

In

In these circumstances their Lordships do not understand the Committee to disallow the charge to the Vote for 1886-87, amounting to 1,100 *l.*, which has been queried by the Comptroller and Auditor General, and that amount will therefore stand as a final charge upon the Vote.

In the circumstances explained in the statement contained in Appendix No. 4 to the Report, the Committee admit the charge of 269 *l.* 14 *s.* against the same Vote in respect of the salary and expenses of Colonel Alfred Turner, while acting as a Divisional Magistrate.

The surplus to be surrendered will therefore be 91 *l.* 9 *s.* 3 *d.*, as stated in your Account.

I am, Sir,
Your obedient servant.

Vote 30.—Constabulary of Ireland.

24. Write to the Chief Secretary:—

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you, to be laid before His Excellency the Lord Lieutenant, the accompanying copies of paragraphs 25 and 27 of the Second Report of the Public Accounts Committee of this Session, relating to the extra salaries paid to certain Resident Magistrates and to an Inspector of Constabulary as Divisional Magistrates.

A Bill was, as you are aware, introduced into the House of Commons to regularise the *status* and remuneration of the Divisional Magistrates. The efforts made to proceed with it were, however, unsuccessful, and in consequence of the persistent opposition it was found necessary to withdraw the Bill, but it is intended to re-introduce it early next Session. In these circumstances their Lordships think that the sums of 1,100 *l.* and 255 *l.* queried by the Comptroller and Auditor General may remain final charges upon the County Court and Constabulary Votes, respectively.

The sum of 10 *l.* 7 *s.* 10 *d.*, disallowed by the Comptroller and Auditor General upon the Constabulary Vote as being properly chargeable to the Vote for the Chief Secretary's Office, should be transferred accordingly; and their Lordships will give the necessary directions by separate letters. The surplus to be surrendered upon the Constabulary Vote will be 6,268 *l.* 13 *s.* 10 *d.*.*

<i>£.</i>	<i>s.</i>	<i>d.</i>
6,258	6	-
	10	7 10
£. 6,268	13	10

I am, Sir,
Your obedient servant.

25. Write to the Commissioners of Prisons, Ireland:—

Gentlemen,

THE Lords Commissioners of Her Majesty's Treasury desire me to inform you that they share in the satisfaction expressed by the Committee of Public Accounts in paragraph 28 of their Second Report for 1888, of which I am to enclose a copy herewith.

I am, Gentlemen,
Your obedient servant.

CLASS IV.

Vote 1.—Public Education, England and Wales.

26. Write to the Secretary, Education Department:—

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to request that you will lay before the Lords of the Committee of Privy Council for Education the accompanying copy of paragraphs 29 and 30 of the Second Report of the Public Accounts Committee for 1888.

Para. 29. My Lords will be glad to learn that the Comptroller and Auditor General has now been supplied with the 100 School Schedules, with back numbers. Upon an examination of those schedules he will be able to form an opinion how far, under the present conditions of the Code, such schedules are useful for purposes of audit.

Para. 30. My Lords understand that the opinion of the Law Officers has been received upon the points raised, in connection with a payment of 7 *l.* 11 *s.* 4 *d.* to the Friar's Wood Board School, Newcastle-under-Lyne, as to the effect of the provisions of Section 20 of the Education Act of 1876. The question was raised upon the Accounts of 1885-86, and my Lords hope that there will be no further delay in its settlement.

I am, Sir,
Your obedient servant.

Vote 2.—Science and Art Department.

27. Write to the Secretary, Science and Art Department :—

Sir,

IN transmitting to you, to be laid before the Lords of the Committee of Privy Council for Education, the enclosed copy of paragraph 31 of the Second Report of the Public Accounts Committee, 1888, I am directed by the Lords Commissioners of Her Majesty's Treasury to state that the question of the guide book referred to therein is now closed.

The sum of 3 *l.* 4 *s.* referred to in paragraph 7 of the Comptroller and Auditor General's Report on the Appropriation Account will be disallowed as against the Vote for your office, and charged to that for the House of Commons, and my Lords will make the necessary adjustments accordingly. The surplus to be surrendered will be 435 *l.* 19 *s.* 5 *d.*, of which 3 *l.* 4 *s.* will be dealt with by a write-off from the Exchequer Grant for 1887-88.

I am, Sir,
Your obedient servant.

Vote 10.—Public Education, Scotland.

28. Write to the Secretary, Scotch Education Department :—

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you herewith the enclosed copy of paragraphs 32 to 35 of the Second Report of the Public Accounts Committee of 1888.

The Committee of Privy Council for Scotch Education will observe that the Parliamentary Committee consider that no repayment should be required of grants already made in respect of schools where the fees exceeded 9 *d.* per week. It is, however, to be understood that these payments, admitted to be illegal, should not be continued; and my Lords rely upon your Department to act on this understanding.

The Committee do not require repayment of the sum of 2 *l.* 4 *s.* which was paid to Halkirk School, Caithness, without regard to the limits laid down by Section 19 of the Education Act of 1876; but they desire that the opinion of the Law Officers should be taken as to the legality of the Minute under which the Halkirk payment was made before any further payments are made under that Minute. My Lords trust that you will at once proceed to obtain such opinion, if you have not already done so, as they will be unable to give their covering sanction to any similar payments until the legality of them has been affirmed on authority.

The Committee consider that payment may be admitted in the cases where you have ignored the excess of the school rate over 3 *d.* in the *£.*, and the amounts queried by the Comptroller and Auditor General will therefore be finally charged to the Vote.

The surplus on the Vote will stand at 196 *l.* 18 *s.* 7 *d.* as shown in the Account rendered by you.

I am, Sir,
Your obedient servant.

CLASS VI.

Vote 1.—Superannuations.

29. *Para. 36.* Their Lordships note the Committee's approval of the principles upon which they have announced that they will proceed in the award of pensions subsequently to the passing of the Superannuation Act of 1887.

Write to the Paymaster General :—

My Lord,

IN transmitting to you herewith a copy of paragraphs 36 and 38 of the Second Report of the Public Accounts Committee of 1888, I am directed by the Lords Commissioners of Her Majesty's Treasury to say that, in the absence of any remark by the Committee, they consider that the following items may remain charged to the Superannuation Vote, viz. :—

	£.	s.	d.
Sir John Lentaigue (over payment)	-	-	16 13 11
Aaron Abensur (compassionate allowance)	-	-	26 13 4
Interpreter, Egypt (over payment)	-	-	33 6 8
	£.	76	13 11

The first and last items might more correctly be treated as balances irrecoverable; but my Lords are of opinion that it would be most inconvenient to disallow the charges against 1886-87, in order to bring them to account, as balances irrecoverable, in the next open year.

The

The amounts of the following over-payments have been recovered :—

	£.	s.	d.
D. Anderson	6	10	—
M'Donald, Barry, and Fay	1	13	—
M. Philipucci	2	—	—
	£. 10	3	—

As regards the Medical Officer to Canterbury Prison, you have received instructions to recover from the local authority the sum of 3 *l.* 17 *s.* 3 *d.*, being all that they will agree to repay out of the excess of 5 *l.* 8 *s.* 5 *d.* on the commutation money paid to them; and no alteration need be made in the annuity payable to the National Debt Commissioners.

With regard to paragraph 38, I am to inform you that My Lords will act on the view of the Committee in future cases of pensions awarded in respect of services in more than one Department in which the amount involved is large.

The surplus to be surrendered is 843 *l.* 6 *s.* 7 *d.*, allowance being made for the over-payments recovered.

I am, my Lord,
Your obedient servant.

REVENUE DEPARTMENTS.

Vote 1.—Customs.

30. Write to the Commissioners of Customs :—

Gentlemen,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to forward to you the enclosed copies of paragraphs 38, 39, and 40 of the Second Report of the Public Accounts Committee for 1888, and I am to inform you that the opinion expressed in paragraph 38 will be acted upon by this Department in future cases of pensions awarded in respect of services in more than one Department, in which the amount involved is large.

The Committee may be taken to approve of your method of dealing with light gold, having regard to the great practical difficulty of complying with the requirements of the law on that subject.

I am, Gentlemen,
Your obedient servant.

31. Let a note be taken in the Superannuation Department of the opinion expressed in paragraph 38 of the Report, with regard to pensions earned by service in two departments whose non-effective charge falls under different votes. Cases such as are contemplated by the Committee "in which the amount involved is large" are not likely to occur very frequently, and there should be no difficulty in arranging that a note respecting each of them should be added to the non-effective Vote to which the pension is charged.

Vote 3.—Post Office ; Vote 5.—Post Office Telegraphs.

32. Write to the Postmaster General :—

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you herewith copies of paragraphs 42 to 50 of the Second Report of the Public Accounts Committee for 1888.

Para. 44. The subject dealt with in this paragraph must be considered without reference to the fact that, in the cases therein mentioned, the purpose for which these officers were summoned was a *legal* one, distinguishable to a certain extent from their regular clerical or other duties. It is simply a particular case of the question of the allowance (if any) to be made to officials recalled from leave for official purposes; and as such will be dealt with by the Committee which has now under consideration the rates of travelling and subsistence allowed to officers of public departments.

Para. 46. The Committee decide in your favour on the question of the method of charging for the conveyance of Parcel Post by ship, otherwise than under contract, and My Lords see no reason to doubt the soundness of this decision. They would, however, observe that as matters now stand, a very small alteration of facts may lead to a transfer of a charge from Sub-head G. 3 of the Post Office Vote to Sub-head A. of the Packet Vote, inasmuch as this transfer would follow upon any sort of definite agreement about the carriage of parcels, with a line already under contract for the carriage of mails. Moreover, the carriage of Foreign and Colonial parcels, so far as it is not included in general contracts, is provided for under a special Sub-head (F.) of the Packet Vote

For these reasons their Lordships consider that the arrangement should be more clearly shown on the face of the Estimates than at present, and they would propose that:—

- (1.) The full wording of Postal Sub-head G. 3 (p. 94 of Estimates) should be so framed as to include a reference to the carriage of parcels by vessels under contract for ordinary mails only.
- (2.) A note should be added to Sub-head A. of the Packet Vote indicating the cases in which, since the contract covers only ordinary mails, additional payments in respect of parcels are, or may be, made from Sub-head G. 3 of the Post Office Vote.

Para. 48. I am to request you to give most careful consideration to the views of the Committee on the subject of the re-issue of light gold from Post Offices, and, with reference to your letter of 13th May 1886, to submit for their Lordships' consideration proposals for modifying this practice so far as is possible consistently with the reasonable convenience of the public.

Para. 49. The question referred to in this paragraph, so far as it relates to extra duty allowances, has now been settled, and their Lordships are now considering the Report of a Committee upon the regulations for travelling and subsistence allowances in the Telegraph Department and elsewhere.

Para. 50. Their Lordships hope that the test audit of the Postal and Telegraph Store Accounts by the Comptroller and Auditor General has now begun.

I am, Sir,
Your obedient servant.

Date of Delivery of the Appropriation Accounts.

33. *Para. 51.* My Lords, taking note of the opinion of the Committee in favour of an earlier delivery of the accounts, and desiring to afford all possible facilities to the Comptroller and Auditor General in the discharge of his duties, direct that the following circular be addressed to the various accounting officers of Civil Votes.

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to call your attention to the following paragraph in the Second Report of the Public Accounts Committee of 1888.

"The attention of your Committee has been called to the late delivery of some of the Appropriation Accounts. They concur with the Comptroller and Auditor General that it is an important matter that the audit should follow as closely as possible upon the transactions of the account, and that with this view every effort should be made to expedite the delivery of the periodical and Appropriation Accounts."

Their Lordships agree with the views expressed by the Comptroller and Auditor General and Public Accounts Committee, and hope that they may count upon your co-operation in giving effect to those views. They do not propose at present to lay down any definite rule for the delivery of the Appropriation Accounts before the statutory date of 30th November, but they think that the Appropriation Account of an ordinary Civil Vote, containing no payments outside the United Kingdom, might readily be rendered, in the absence of special circumstances, by the 30th September; and they request that, subject to these qualifications, you will endeavour to render the account(s) of the Vote(s) for which you are responsible as nearly as possible by that date in the year 1889.

This calculation proceeds on the assumption that the Exchequer and Audit Department will accelerate their examination of the final monthly accounts, but upon this point my Lords have no doubt of the ready co-operation of the Comptroller and Auditor General.

I am, Sir,
Your obedient servant.

CONSOLIDATED FUND.

Loans Arrears.

34. Write to the Public Works Loans Commissioners:—

My Lords and Gentlemen,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you herewith a copy of paragraph 52 of the Second Report of the Public Accounts Committee, 1888. They hope that the next account of the loans administered by you will show an improvement as compared with that upon which the Committee have commented.

I am, My Lords and Gentlemen,
Your obedient servant.

35. Write to the Commissioners of Public Works in Ireland :—

Gentlemen,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you the enclosed copy of paragraph 53 of the Second Report of the Public Accounts Committee, 1888.

This paragraph, as My Lords read it, hardly lays sufficient stress upon your own primary and general responsibility for the administration of the loans fund in your charge, including the recovery of sums in arrear. This responsibility is complete and undivided in the numerous and important cases in which arrears have not been put in the hands of your solicitor for recovery. My Lords do not doubt that you are fully alive to this responsibility, and they only refer to the fact in order to avoid the possibility of misapprehension elsewhere.

It must be remembered that the account which will be before the Public Accounts Committee next year will be of too early a date to show the effects of the new system; but when that Committee meets you will have much later information available, which it may be expedient to lay before it. In the meanwhile their Lordships, as you are aware, are considering the account of the 31st March last, with the commentary of the two Departments thereupon.

I am, Gentlemen,
Your obedient servant,

ARMY APPROPRIATION ACCOUNT.

36. Write to the Financial Secretary, War Office :—

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you herewith, to be laid before the Secretary of State for War, a copy of paragraphs 55-75 of the Second Report of the Public Accounts Committee for 1888.

Payments by India for Home Effective Charges.

Para. 55. Their Lordships have received a Report, under date of 31st July, from the Committee appointed for the consideration of this question.

In that Report the Committee make definite proposals for settling the claims in respect of Deferred Pay down to 31st March 1885, and if these proposals are accepted on behalf of the United Kingdom and of India, all outstanding questions affecting Home Effective Charges will be settled down to that date. The Committee are now proceeding to consider the payments proper to be made for the years 1885-86 and 1886-87, and hope to be able to lay down principles upon which it will be possible to determine the amounts payable by India in respect of 1887-88 and subsequent years for effective services.

Paymasters' Accounts.

Para. 56. In regard to the change from quarterly to monthly rendering of Paymasters' Accounts, their Lordships observe that in the Fifth Report of the Select Committee on Army Estimates, 1888 (p. vi), this change is referred to in connection with suggested alterations in the system of departmental audit at the War Office, leading to possible reductions in the clerical establishments; and they gather from Sir Ralph Thompson's evidence before that Committee (Q. 4959-4963, 5014-5017) that a reduction in the staff of paymasters may, in his opinion, be expected to result from it. My Lords need hardly observe that they would welcome any legitimate reduction in the establishments; at the same time they hope that no measure will be introduced diminishing the check which the Secretary of State exercises, through the Financial Secretary, over the details of army expenditure, until such measure has been fully considered both by this Department and by the Public Accounts Committee on behalf of the House of Commons. The case referred to in paragraph 57 of the latter Committee's Report is a sufficient example of the risk which may be incurred under an insufficient system of supervision.

Para. 57. Their Lordships now authorise the charge to "Losses Irrecoverable" of the amount (4,249 l.) of the defalcations of Paymaster Browning; but they would commend the remarks of the Committee to the serious consideration of the Secretary of State. The system of monthly accounts, already referred to, will apparently facilitate periodical inspection, and the checking of paymasters' actual balances against their returns to your Department.

Para. 58. There is general agreement that the division between Civil and Military Votes of the pay of the Aides-de-Camp to the Lord Lieutenant of Ireland may remain as at present. Prior to 1881 these officers drew a forage allowance from Army Votes in respect of their services to his Excellency, but in that year this anomaly was removed by the grant to them of a consolidated civil salary to cover all such allowances.

Para. 59. The sum of 13 l. 3 s. referred to has been charged to "Losses Irrecoverable."

Para. 60. I am to inquire whether the necessary vouchers for the sum of 451 *l.* 9 *s.* 10 *d.* have yet been received from the India Office.

Paras. 61, 62. The Secretary of State will, doubtless, consider the alternatives offered him by the Committee, *either* not to charge to the Vote the funeral expenses of men who leave property behind them, *or* to obtain an amendment to the Act of 1863, to the terms of which this practice is opposed.

16,949.

Para. 63. Further consideration has been given by this Department to the question of the stores supplied for the Suakim garrison, in addition to the pecuniary grant in aid of it; and, in the peculiar circumstances of the case, their Lordships have, in a separate communication to you, consented to allow the sum of 14,454 *l.*, in respect of these stores, to remain a charge upon Army Votes. My Lords in that letter expressed their regret that this item, which might have proved of serious amount, was not brought before them at the time when the general question of army expenditure in Egypt was discussed and settled.

Para. 64. An Inter-departmental Committee has under consideration the amount and method of payment of the contributions which should be made by various Colonies towards the cost of their own military protection; and recommendations by that Committee respecting the cases of Sierra Leone, St. Helena, Hong Kong, and Straits Settlements are now before their Lordships.

Paras. 65, 66, 67. Their Lordships hope that the Secretary of State will be able to put the financial arrangements of the Yeomanry Cavalry on a more satisfactory footing than in the past. They notice that the Select Committee on Army Estimates, 1888 (Second Report, p. vii), appeared to consider that improvements in the organisation and administration of this branch of the Service were desirable and possible. The sum of 7,098 *l.* 5 *s.*, referred to in paragraph 65, may now be finally charged to the Vote, as recommended by the Committee.

Para. 68. The Committee have correctly interpreted the view taken by this Board on the general question of the substitution of Treasury sanction for a missing voucher.

Para. 69. My Lords now give their formal consent to the cancellation of the receivable order for 250 *l.* issued to Mr. Cussans; and also to the proposal to charge to "Losses Irrecoverable" the sum of 12 *l.* 12 *s.* 11 *d.*, the value of some chopped straw lost in transit between Suez and Cairo.

Para. 70. The sum of 16,546 *l.* 1 *s.* 5 *d.*, recommended by the Comptroller and Auditor General for disallowance in the absence of vouchers, had been reduced at the date of the Committee's Report to 7,025 *l.* 1 *s.* 5 *d.*, owing to the production of vouchers for 9,521 *l.* I am to inquire whether any further reduction has now been effected in a similar manner, and what prospects there are of obtaining complete vouchers for the whole sum.

Paras. 71, 72. My Lords are glad to find themselves in general agreement with the views expressed by the Committee as to the powers of the Comptroller and Auditor General in regard to questions raised by him which may seem to trench on administration. The subject was discussed by Mr. Knox and Sir Charles Ryan before the Army Estimates Committee this year, and their Lordships had already formed their opinion on the subject, after consideration of the views expressed in the evidence of those two gentlemen. The importance of the subject requires a full exposition of the opinions which My Lords entertain regarding it.

My Lords think it important that the Comptroller and Auditor General should have great freedom in drawing his Reports to Parliament. He may draw attention to any circumstance that comes to his knowledge in the course of audit, and point out its financial bearing. As, however, he is the officer of Parliament, he will naturally have no disposition to question anything that Parliament has already sanctioned, and if he reports on a matter of administration from the point of view of its effects on the public purse, it will be for the purpose of bringing before Parliament something which otherwise would pass unnoticed. It is impossible to deny that it is always his right, and will often be his duty, to take this step, but it is equally obvious that the occasion and manner of such report must be matters of discretion.

On the other hand, My Lords hold that the Accounting Department may rightly assert a discretion as regards answering the queries of the Comptroller and Auditor General upon matters of administration. The Department is bound to show what it has spent, and for what purpose, and on what authority. If questioned why the money was spent, with due authority, in one way rather than in another, the Department may refuse to answer the question. But it, of course, must be prepared to justify such refusal to Parliament, if necessary.

For instance, if a department employs a private firm for certain work at a far higher price than is, within the knowledge of the Comptroller and Auditor General, paid by other departments to the same firm or to other firms for apparently similar work, the department might be justified in answering the Comptroller and Auditor General's query by a simple reference to the authority of the Secretary of State. But the Comptroller and Auditor General would clearly be justified in making the query, and in calling attention

tion to the circumstances in his Report, so as to enable the Public Accounts Committee, if it sees fit, to satisfy itself on the particular point. *A fortiori*, when, as in the cases actually discussed before the Committee of this Session, there is an apparent financial inconsistency in the actions of the department itself, the Comptroller and Auditor General appears to be more than justified in raising a query on the point; and the proceedings before this Committee have convinced their Lordships that the course adopted by the Comptroller and Auditor General has not resulted in any injury to the public service, and that in ordinary cases it is desirable that the Comptroller and Auditor General should receive such explanations as may be proper, in order that the question may be laid before the Committee of Public Accounts, for consideration, in a complete form.

Para. 75. My Lords would be glad to learn the result of the consideration which the Secretary of State undertook to give to the alternative forms, suggested by the Comptroller and Auditor General, of a certificate as to the state of the reserve of stores which might accompany the Appropriation Account. This question, however, appears to be more closely connected with the Store Accounts; and the remarks of the Public Accounts Committee upon those Accounts will be dealt with in a separate letter.

The surplus upon the Army Account for 1886-87 cannot yet be ascertained, pending the production of vouchers in cases where they are still wanting. My Lords understand, however, that vouchers have been produced for the sum of 17 *l.* 4 *s.* left outstanding on the Account for 1885-86, and the amount can now be treated as a final charge against the Vote for that year.

I am, Sir,
Your obedient servant,

NAVY APPROPRIATION ACCOUNT.

37. Write to the Secretary to the Admiralty:—

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you herewith, to be laid before the Lords Commissioners of the Admiralty, a copy of paragraphs 76 to 99 of the Second Report of the Public Accounts Committee of 1888, dealing with the Navy Appropriation Account for 1886-87.

Para. 76. A draft Order in Council covering the revised code of Marine Instructions was approved by my Lords on the 13th July last.

10,920.
12,249.

Para. 77. Their Lordships have already decided to deal with such cases as that of Mr. Mustart (the Greenwich Hospital pensioner employed as a Lower Division Clerk in the Admiralty) by a clause in an Omnibus Bill, whenever such a Bill is introduced. A clause for the purpose has been prepared, and approved by the Admiralty.

13,508.

Paras. 78, 79. Their Lordships of the Admiralty will notice that the Committee think it desirable to leave to departments the decision as to the amounts at which reserves of stores should be maintained. My Lords will return to this point in connection with the Store Accounts.

Para. 80. In accordance with the Committee's decision, the payments to officers of the Intelligence Department, referred to in this paragraph, will remain charged to Vote 1.

Para. 81. My Lords believe that the arrangement which has now been entered into respecting the Indian contribution is correctly described by the Committee. Arrangements for future years are under consideration.

844—88.

Para. 82. My Lords presume that the Board of Admiralty will set on foot the thorough inquiry into Naval yards abroad which is recommended at the close of the Fourth Report of the Select Committee on Navy Estimates of this Session, and in that event the question of the check on payments of wages at those yards would naturally be considered together with other points of administration and finance. At the same time their Lordships must not be held to imply that the settlement of such a question must necessarily await the general inquiry referred to.

Para. 83. The payment to Mr. McEvoy, as headmaster of the dockyard school at Portsmouth, having been passed by the Committee, remains charged to the Vote.

Paras. 84-92, Advances to Contractors.—The Board of Admiralty will no doubt take note of the opinions expressed by the Committee in these paragraphs. The only point upon which my Lords need comment is the payment of 32,453 *l.* to Messrs. John Brown & Co. referred to in paragraphs 87 and 88. This payment appears to have been irregular, though the Comptroller and Auditor General did not recommend it for disallowance against the Vote for 1886-87. Provision for this item seems actually to have been made in the Estimate for the ensuing year; and the effect of the payment was to cause an excess on Vote X., sec. 1, over and above the amount provided for that Vote in the Supplementary Estimate, which amount included the item in question.

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Para. 93.

Para. 93. The sum of 1,544 *l.* 1 *s.* 9 *d.*, for cost of plates for testing projectiles, will remain charged to Navy Votes, but the Board of Admiralty should take care that in future any such exceptional item should be clearly exhibited on the face of the estimate (ordinary or supplementary) in which provision is made for it.

Para. 95. My Lords understand that the charge to Navy Votes of 11,705 *l.* 11 *s.* for armour-piercing projectiles, to which the Comptroller and Auditor General takes exception, was made as a part of the new system under which such items are now assigned to Navy instead of Army Votes, provision having been made under Vote 10, and that the articles themselves were only delivered to the War Office as a matter of convenience, and as part of a transitional arrangement, being completely under the control of the Admiralty. I am to ask whether My Lords correctly understand in this sense Sir G. FitzGerald's reply to Question 2134 of the Committee.

My Lords have read Sir G. FitzGerald's answer to Question 2162; and they cannot but think that the Supplementary Estimate might have been framed so as to exhibit the state of the facts more clearly.

Para. 97. The Board of Admiralty will note the remarks of the Committee as to the irregularity of their action in the case of the Great Queen Street Pattern Rooms. The sum of 143 *l.* 8 *s.* 3 *d.* may, however, be charged to the Vote, having regard to the opinion to that effect expressed by the Committee.

Para. 98. The sums of 3,818 *l.* 2 *s.* 1 *d.* and 3,475 *l.* 3 *s.* 2 *d.*, being the amounts embezzled by the late Assistant Paymasters of Her Majesty's Ships "Helicon" and "Espoir," have been allowed to be charged to "Losses Irrecoverable."

Q. 2186.

Para. 99. I am to inquire when My Lords may expect to be favoured with the proposals of the Board of Admiralty for dealing with unclaimed effects of deceased Seamen and Marines.

A separate letter will be addressed to you on the subject of the Comptroller and Auditor General's Report on the Navy Store Accounts.

The Surplus to be surrendered on the Navy Account for 1886-87 will be 151,442 *l.* 15 *s.* 11 *d.*

I am, Sir,
Your obedient servant,

AUDIT OF STORE ACCOUNTS BY THE COMPTROLLER AND AUDITOR GENERAL.

38. This is the first occasion upon which the Public Accounts Committee have had before them any results of the test audit of certain Store Accounts which the Comptroller and Auditor General has undertaken under their Lordships' Minute of 15th November 1886; and without coming to any premature conclusion as to the effect of this novel institution, My Lords desire to express the opinion that the arrangements made in pursuance of that Minute are working smoothly, and are already yielding satisfactory results. They are glad to observe the evident friendliness of the relations between the Audit Department and the officers whose transactions are now for the first time being subjected to external criticism; and they venture to congratulate all parties concerned upon this state of things. They proceed to deal with the points referred to in the Report of the Public Accounts Committee relating to the Store Accounts of the Army and Navy respectively.

Army Store Accounts.

39. Write to the Financial Secretary, War Office:—

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to request you to submit to the Secretary of State for War the enclosed copies of paragraphs 100 to 107 of the Second Report of the Public Accounts Committee of 1888 relating to the Comptroller and Auditor General's Report of the results of such examination as he was able to apply to the Store Accounts of the Army, in connection with the Appropriation Accounts of 1887-88.

Para. 101. My Lords have not yet received the final proposals of the Secretary of State for deciding what officer should be entitled to give final authority for "writes off" of stores under the new organisation of the War Office. They would be glad to see the new rules to which the Public Accounts Committee refer.

Para. 102. I am to inquire whether the War Office could undertake to render to the Comptroller and Auditor General the Equipment and other Store Accounts made up to the 31st March, not later than (say) the 31st January next following, in which case it would apparently be possible for that officer to prepare his report upon them for presentation to Parliament before the 1st April. This would obviate any disturbance of the period of account and any increase of labour in your department, such as would arise if the account was made a half yearly one. My Lords see no difficulty in the way of the publication of the Comptroller and Auditor General's Reports on the Store Accounts at a later date than that fixed by Parliament for the Appropriation Accounts.

Paras.

Paras. 103, 104, 105. The report of Messrs. Whinney and Waterhouse is, as the Secretary of State is aware, now under the consideration of this Board; but there can be no difference of opinion as to the expediency of an earlier presentation of the Manufacturing Accounts.

Paras. 106, 107. Their Lordships would be glad to receive the observations of the Secretary of State upon the Comptroller and Auditor General's suggestion respecting the Valuation of Stores Return. In connection therewith paragraph 75 of the Committee's Report (enclosed in the Treasury letter of even date herewith, respecting the Army Appropriation Account) should also be considered; as well as para. 79 of the Committee's Report (copy enclosed) on the Navy Appropriation Account.

I am, Sir,
Your obedient servant,

Navy Store Accounts.

40. Write to the Secretary to the Admiralty:—

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you herewith, to be laid before the Lords Commissioners of the Admiralty, a copy of paragraphs 108 to 131 of the Second Report of the Public Accounts Committee of 1888, containing the comments of that Committee upon the Comptroller and Auditor General's First Report on the Store Accounts of the Navy.

Paras. 113-117. My Lords concur with the Committee, that it is desirable to suspend judgment on the question of the check on Storekeeper's Accounts until the final report of Messrs. Mills and Waterhouse has been received and considered.

With regard to the statements made by Mr. McHardy respecting the Admiralty Store books, My Lords are glad to infer from the views expressed by the Select Committee on Navy Estimates (Fourth Report, p. vii) that that Committee agree with the Committee of Public Accounts that no immediate action is required in consequence of the evidence of that gentlemen, who was also examined before that Committee.

Para. 124. My Lords understand the question raised in this paragraph to be whether the stock-taking staff, as a whole, possesses sufficient official status to be incontrovertibly independent of the yard officers whose work they check. No doubt a large portion of the work of stock-taking is of a routine character, which can be entrusted to subordinate officers of the service; but the Comptroller and Auditor General appears to doubt whether these subordinates act under the control of superior officers of at least equal standing with the highest officers engaged in the custody and issue of stores. I am to request that my Lords may be favoured with a full account of the system now in force, regarded from this point of view, in order that they may form a judgment upon the point raised by the Comptroller and Auditor General.

Para. 127. My Lords are disposed to agree with the Committee that, in cases of magnitude, Victualling Stores should not be condemned without the authority of a Board of Survey.

Para. 128. The Board of Admiralty will doubtless note the remarks of the Committee on the amount of stores in stock at different yards. The evidence before the Committee seems to show that the subject requires further consideration from the Admiralty.

Paras. 129, 130. The question of the authority upon which "writes-off" of victualling stores should be allowed arose in evidence before the Select Committee on Navy Estimates, and was by them remitted (Second Report, p. iii) to the consideration of the Public Accounts Committee. The Board of Admiralty will observe that the latter Committee concur with the Treasury in approving a general proposal made by the Comptroller and Auditor General for dealing with this matter, and I am to express the hope that their Lordships of the Admiralty will see their way to the adoption of this arrangement.

I am, Sir,
Your obedient servant.

EXAMINATION OF NAVY EXPENSE ACCOUNTS.

41. Write to the Secretary to the Admiralty:—

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you herewith a copy of paragraph 132 of the Second Report of the Public Accounts Committee of 1888, respecting the examination by the Comptroller and Auditor General of the Expense Accounts of the Navy. The Lords Commissioners of the Admiralty will observe that the opinion expressed by the Committee may be stated as follows:—

(1.) That it is desirable that the Comptroller and Auditor General should continue to report upon these Accounts; and

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(2.) That

- (2.) That to this end it would be necessary and sufficient that a Minute of this Board should be issued under the provisions of the 33rd section of the Exchequer and Audit Departments Act, 1866.

My Lords are in communication with the Comptroller and Auditor General with regard to the steps to be taken in consequence of this opinion.

I am, Sir,
Your obedient servant,

Financial Adjustments.

42. Let the following sums be surrendered by writing them off from the grants for the respective services, 1887-88 :—

	£.	s.	d.
Fishery Board, Scotland - - - - -	344	17	9
Constabulary, Ireland - - - - -	10	7	10
Science and Art Department - - - - -	3	4	-
Superannuations, &c. - - - - -	10	3	-

Direct the Accounting Officers for the undermentioned Votes to make the following transfers from their respective grants for the year 1888-89, the earliest year open :—

	£.	s.	d.
"Chief Secretary, Ireland," to "Constabulary, Ireland" -	10	7	10
"House of Commons" to "Science and Art Department" -	3	4	-

Acquaint the Inspector General of Constabulary, Ireland, and the Secretary, Science and Art Department, respectively.

My Lords suspend their decision in regard to certain items which the Comptroller and Auditor General has reported for disallowance on the Appropriation Accounts of the Votes for—

Public Education, England - - - - -	1885-86
Army Services - - - - -	1886-87

43. Write to the Comptroller and Auditor General :—

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you herewith, for your information and guidance, a copy of the Minute of this Board, dated the 10th instant, upon the First and Second Reports of the Public Accounts Committee of 1888.

The only paragraph of the Reports on which my Lords need separately comment is the last paragraph of the Second Report of the Committee relating to the examination of the Expense Accounts of the Navy by yourself.

Their Lordships are aware that you have already, on your own initiative, made one most useful report on these accounts, and they need not say that they attach great importance to the continuance of the examination of them, as well as to the extension of such examination, under proper conditions, to the Manufacturing Accounts of the Army and the Navy.

They think that it will be desirable that your position as regards a test audit of these accounts should receive such legal status as will leave no room for doubt about your authority in the matter.

In the opinion of the Committee, such status can be secured to you by the issue of a Treasury Minute under the 33rd section of the Exchequer and Audit Departments Act (29 & 30 Vict. c. 39).

But My Lords prefer that the powers under which you will apply your audit to the Expense Account of the Navy and to the Manufacturing Accounts of the Army and Navy should be derived from Parliament itself. They will accordingly take an early opportunity of introducing a Bill which will not only empower and direct you to examine the accounts in question in such manner and to such extent as may be laid down from time to time by the Treasury, and to report annually to Parliament the results of such examination, but which will also require the Departments to prepare and render these accounts to you every year. In the meantime, however, they would regret that the useful work which you have begun should be suspended; and they would be glad if some arrangement could be made for a continuance of your examination of the Expense Accounts in such form as you may find practicable, assuring you that they will approve the staff which you may show to be necessary for your purposes.

I am to add that, so far as the Expense Accounts of the Navy are concerned, my Lords suspend their definite judgment about the examination of them until they have received from Messrs. Mills and Waterhouse their final report, in order that they may see how far (if at all) that report may have a bearing on the question of those accounts.

My Lords conclude with the hope that they may find themselves in practical agreement with yourself on the important points which this letter raises.

I am, Sir,
Your obedient servant,

APPENDIX A.

My Lord,

Treasury Chambers, 5 November 1888.

THE Committee of Public Accounts in their Report of 1886 disallowed a payment of 123 l. 4 s. 3 d. to Mr. Van Baerle, Assistant Clerk in the Privy Seal Office, representing his salary from the 18th June to the 15th November 1884 (when the office was closed), on the ground that during that time he was in prison on a charge of forgery and had consequently forfeited his right to receive salary.

In the Minute dealing with the Committee's Report, dated the 27th October 1886, the Lords Commissioners of Her Majesty's Treasury caused a letter to be written to your Lordship as head of the office in 1884, asking for an explanation of the reasons which induced your Lordship to direct the payment in question to be made. That letter, however, of which a copy is enclosed, was returned to this Board through Mr. Dasent with an intimation that the state of your Lordship's health was such as to disable you from attending to public business.

As the question raised by the Comptroller and Auditor General and the Committee of Public Accounts in 1886 is still outstanding, and subsequent Committees have reverted to it, My Lords venture to approach your Lordship again on the subject in the hope that you may now be sufficiently well to favour this Board with an explanation.

Lord Carlingford,
under cover to John R. Dasent, Esq.,
Education Office.

I am, &c.
(signed) *Frank Mowatt.*

Education Department, Whitehall, S.W.
9 November 1888.

17427—88.

Sir,

I AM directed by Lord Carlingford to acknowledge your letter of 5th November and its enclosure.

In reply, I am to refer you to the letter from the Treasury of the 10th November 1884, which apparently was not before the Committee of Public Accounts in 1886, as it does not form part of the correspondence appended to the Comptroller and Auditor General's Report on the Appropriation Account of the Privy Seal Office of 1884—85.

It will be seen that in that letter approval is signified to the payment of salary to the Chief Clerk and Assistant Clerk (Mr. Van Baerle) to the date of the closing of the office on 15th November 1884.

3267—87.

Lord Carlingford at the time held that the letter constituted the covering sanction of the Treasury, to whom the position of Mr. Van Baerle, and the distressing circumstances connected with his being under a charge of felony were, by his Lordship's direction, explained by myself unofficially; and he now submits that he was, by the terms of the letter, entitled to consider himself discharged of the responsibility connected with the payment.

Lord Carlingford hopes that this explanation will be accepted by their Lordships and also by the Committee.

The Secretary, Treasury.

I am, &c.
(signed) *John R. Dasent.*

APPENDIX B.

(No. 1134.)

Exchequer and Audit Department, Somerset House,
London, W.C., 22 October 1888.

Sir,

I AM directed by the Comptroller and Auditor General to acknowledge the receipt of Mr. Mowatt's letter of the 17th instant (No. 16,507—88), in which it is intimated that the Lords Commissioners of Her Majesty's Treasury have been pleased to appoint Mr. Richard Mills to be the Accounting Officer for the Vote for this Department.

I am to take the opportunity of adverting to Mr. Jackson's letter of the 23rd of February last (No. 15,177) upon the question of the future conduct of the Audit of the Account of this Vote; and it may perhaps be well, in this place, to give a brief outline of the opinions of the Public Accounts Committee and of the head of this Department upon the position in which it stands.

As far back as the year 1870 the Public Accounts Committee expressed their opinion on the subject as follows:—

"It is no doubt contrary to the spirit of the Exchequer and Audit Departments Act that any officer should audit his own account; and, while they do not dissent from the view of the Treasury that the Secretary (the then Accounting Officer) of the office must be considered as not wholly independent of his chief, even in rendering the Account, they are of opinion that the right remedy will be, whenever occasion requires the amendment of the Act, to provide that some independent person shall be associated with the Comptroller and Auditor General in auditing the Account of this particular Vote."

In his Report to Parliament upon the Appropriation Account of the Exchequer and Audit Department for the year 1869—70, the Comptroller and Auditor General adverted to the question in the following terms:—

"At the commencement of the current financial year the administration of the Vote was undertaken by the Treasury, but for reasons set forth in a communication addressed to me by the Secretary of that Department, the Account was, after an interval of a few months, again placed under the superintendence of the Secretary of the Exchequer and Audit Department, by whom it had been previously rendered for audit. Although this officer considers himself (and rightly so) responsible to the Treasury, under whose authority he acts, for the faithful administration of the Parliamentary Grant, and is therefore practically independent of his chief in rendering the Account, yet as, from the somewhat exceptional circumstances of the case, doubts may exist as to the adequacy or trustworthiness of the audit given to the expenditure, I deem it requisite to state that the Account is examined with the same care and impartiality as all other Public Accounts placed under the charge of the same Inspector, whose duty it is to bring under the review of the head of the Department all deviations from Parliamentary and Treasury Regulations or Authorities. I have, therefore, no hesitation in appending to the Account of the Vote for this service my certificate of its correctness."

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The question of the necessity for an amendment of the Exchequer and Audit Departments Act (as suggested by the Public Accounts Committee of 1870) was apparently not further pursued, but the Public Accounts Committee in their Report of 1887 renewed the expression of their opinion, adding that "the case might for all practical purposes be met without recourse to an amendment" of the Exchequer and Audit Departments Act."

At the meeting of the Committee on the 11th April last, Sir Charles Ryan, the then Assistant Comptroller and Auditor, was unable to state to the Committee the opinions upon this subject held by Sir William Dunbar, the then Comptroller and Auditor General, who was absent at the time through illness; the matter remained, therefore, somewhat in abeyance. The late Comptroller and Auditor General having, however, since the above date, retired from the Public Service, it now devolves upon his successor to dispose of the question so far as he is concerned, and he directs me to state that he is prepared to give effect to the recommendation of the Public Accounts Committee as above expressed in paragraph 25 of their Report of 1887; and he would suggest with that object that one of the House of Commons Clerks should be, on the nomination of the Right Honourable the Speaker, associated with him for the purpose of examining the Account.

The Secretary, Treasury, S.W.

I have, &c.
(signed) C. H. Sinclair.

Appendix, No. 2.

PAPERS handed in by Mr. E. W. Hamilton, C.B., 13 March 1889.

1886-87.

COMPARISON OF EXCHEQUER ISSUES WITH AUDITED EXPENDITURE
AND
GENERAL ABSTRACT OF APPROPRIATION ACCOUNTS

(After audit by the Comptroller and Auditor General, and review by the Public Accounts Committee of the House of Commons).

Treasury, }
13 March 1889. }

COMPARISON OF EXCHEQUER ISSUES IN 1886-87 WITH AUDITED
EXPENDITURE FOR THAT YEAR.

	Exchequer Issues.	Audited Expenditure.	EXCHEQUER ISSUES.	
			More than Audited Expenditure.	Less than Audited Expenditure.
	£. s. d.	£. s. d.	£. s. d.	£. s. d.
CONSOLIDATED FUND SERVICES -	29,701,914 5 9	29,701,914 5 9	—	—
ARMY (INCLUDING ARMY PURCHASE COMMISSION) - - - - -	18,429,271 15 9	*18,564,742 15 2	- -	135,470 19 5
NAVY - - - - -	13,265,401 8 4	13,118,657 4 1	146,744 4 3	—
	31,694,673 4 1	31,683,399 19 3	146,744 4 3	135,470 19 5
CIVIL SERVICES - - - -	17,826,453 16 9	†17,897,382 - 8	- -	70,928 3 11
REVENUE DEPARTMENTS - - -	10,773,710 15 8	10,796,966 7 7	- -	23,255 11 11
TOTAL - - - £.	89,996,752 2 3	90,079,662 13 3	146,744 4 3	229,654 15 3
				146,744 4 3
The EXCHEQUER ISSUES were less than the Audited Expenditure by -			£.	82,910 11 -

* Including a sum of 7,476 £. 11 s. 3 d., on which final decision is suspended.
† " " 12 s. 8 d., " " " "

1886-87.

GENERAL ABSTRACT OF APPROPRIATION ACCOUNTS

(After audit by the Comptroller and Auditor General, and review by the Public Accounts Committee of the House of Commons).

SERVICE.	GRANT.	EXPENDITURE.	EXPENDITURE.		Appropriations in Aid Realized.			
			Less than Grant.	More than Grant.	More than Estimate.	Less than Estimate.		
	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
ARMY (INCLUDING ARMY PURCHASE COMMISSION) - - - - -	18,692,200 - -	*18,564,742 15 2	127,457 4 10	- - -	10,328 - 7	- - -	- - -	- - -
NAVY - - - - -	13,270,100 - -	13,118,657 4 1	151,442 15 11	- - -	10,799 2 -	- - -	- - -	- - -
TOTAL, NAVAL AND MILITARY SERVICES - - - - -	£. 31,962,300 - -	31,683,399 19 3	278,900 - 9	- - -	- - -	- - -	- - -	- - -
CIVIL SERVICES :								
Class I. - - - - -	1,869,274 - -	1,838,765 1 7	30,508 18 5	- - -	- - -	- - -	- - -	- - -
" II. - - - - -	2,484,128 - -	2,432,571 19 -	51,604 15 10	48 14 10	- - -	- - -	- - -	- - -
" III. - - - - -	6,348,654 - -	6,212,568 17 2	139,245 15 4	3,260 12 6	- - -	- - -	- - -	- - -
" IV. - - - - -	5,482,442 - -	5,471,769 11 1	10,672 8 11	- - -	- - -	- - -	- - -	- - -
" V. - - - - -	672,199 - -	643,206 3 5	28,992 16 7	- - -	- - -	- - -	- - -	- - -
" VI. - - - - -	1,251,675 - -	†1,234,226 12 5	17,448 7 7	- - -	- - -	- - -	- - -	- - -
" VII. - - - - -	65,372 - -	64,273 16 -	1,098 4 -	- - -	- - -	- - -	- - -	- - -
TOTAL, CIVIL SERVICES - £.	18,173,744 - -	17,897,382 - 8	279,671 6 8	3,309 7 4	- - -	- - -	- - -	- - -
REVENUE DEPARTMENTS :								
Customs - - - - -	956,057 - -	946,673 16 9	9,383 3 3	- - -	- - -	- - -	- - -	- - -
Inland Revenue - - - - -	1,797,506 - -	1,765,784 18 7	31,721 1 5	- - -	- - -	- - -	- - -	- - -
Post Office - - - - -	5,454,955 - -	5,419,560 8 2	35,394 16 10	- - -	- - -	- - -	- - -	- - -
Post Office Telegraph Service - - - - -	1,967,510 - -	1,939,764 3 5	27,745 16 7	- - -	- - -	- - -	- - -	- - -
Post Office Packet Service - - - - -	735,663 - -	725,183 5 8	10,479 14 4	- - -	- - -	- - -	- - -	- - -
TOTAL, REVENUE DEPARTMENTS - - - - -	£. 10,911,691 - -	10,796,966 7 7	114,724 12 5	- - -	- - -	- - -	- - -	- - -
TOTAL FOR VOTED SERVICES - - - - -	£. 61,047,735 - -	60,377,748 7 6	673,295 19 10	3,309 7 4	- - -	- - -	- - -	- - -
CONSOLIDATED FUND :								
Permanent Charge of Debt - - - - -	28,036,917 - -	27,366,366 19 7	670,550 - 5	- - -	- - -	- - -	- - -	- - -
Interest, &c., not forming part of the Permanent Charge - - - - -	841,000 - -	591,655 15 10	249,344 4 2	- - -	- - -	- - -	- - -	- - -
Other Charges on the Consolidated Fund - - - - -	1,762,000 - -	1,743,891 10 4	18,108 9 8	- - -	- - -	- - -	- - -	- - -
TOTAL OF CONSOLIDATED FUND SERVICES - - - - -	£. 30,639,917 - -	29,701,914 5 9	938,002 14 3	- - -	- - -	- - -	- - -	- - -
GRAND TOTAL OF EXPENDITURE - £.		90,079,662 13 3						

The amounts written off from Exchequer Grant Accounts and paid to the Exchequer, in respect of Savings on Votes and Appropriations in Aid realised in excess of Estimate, for the year 1886-87, amount to 673,295 l. 19 s. 10 d.

	In the Financial Year	
	1887-88.	1888-89.
Written off from Exchequer Grant Accounts out of Ways and Means of 1886-87 - - -	£. 258,412 5 9	£. - - -
Ditto - - - ditto - - - ditto - - - ditto 1887-88 - - -	414,305 - 8	368 12 7
Ditto - - - ditto - - - ditto 1888-89 - - -	- - -	9 3 6
Paid into the Exchequer by the Paymaster General - - -	- 17 4	200 - -
£.	672,718 3 9	577 16 1

£. 673,295. 19. 10.

* Including a sum of 7,476 l. 11 s. 3 d., on which final decision is suspended.

† " " 12 s. 8 d. " " " "

CIVIL SERVICES, 1886-87.

ABSTRACT STATEMENT showing the APPROPRIATION of GRANTS for the undermentioned CIVIL SERVICES, after audit by the Comptroller and Auditor General, and review by the Public Accounts Committee of the House of Commons, for the Year ended 31st March 1887; and the Amounts of the UNEXPENDED BALANCES or DEFICIENCIES arising upon the same.

Number of Vote.	SERVICE.	Reference to Detailed Account in Parliamentary Paper 30, of Session 1886.	GRANT.	EXPENDITURE.	EXPENDITURE.	
					Less than Grant.	More than Grant.
	CLASS I.					
	WORKS AND PUBLIC BUILDINGS):		£. s. d.	£. s. d.	£. s. d.	£. s. d.
	GREAT BRITAIN:	Page.				
1	Royal Palaces - - - -	2	31,997 - -	31,960 12 6	36 7 6	—
2	Marlborough House - - -	6	2,450 - -	2,450 - -	—	—
3	Royal Parks and Pleasure Gardens	9	112,619 - -	112,393 12 10	225 7 2	—
4	Houses of Parliament - - -	13	56,065 - -	55,716 6 1	348 13 11	—
5	Gordon Monument - - - -	17	500 - -	500 - -	—	—
6	Public Buildings - - - -	18	201,496 - -	200,992 9 8	503 10 4	—
7	New Admiralty and War Office -	26	800 - -	461 - 11	338 19 1	—
8	Furniture of Public Offices - -	28	19,060 - -	19,004 7 1	55 12 11	—
9	Revenue Departments Buildings -	30	227,464 - -	223,813 19 9	3,650 - 3	—
10	County Court Buildings - - -	49	29,150 - -	29,001 1 10	148 18 2	—
11	Metropolitan Police Court Buildings	52	6,370 - -	6,367 11 8	2 8 4	—
12	Sheriff Court Houses, Scotland -	55	9,630 - -	9,457 14 7	172 5 5	—
13	Surveys of the United Kingdom -	58	258,000 - -	249,393 6 4	8,606 13 8	—
14	Science and Art Department Buildings	66	19,742 - -	18,193 17 1	1,548 2 11	—
15	British Museum Buildings - - -	73	11,477 - -	10,203 1 2	1,273 18 10	—
16	Harbours, &c., under the Board of Trade.	76	17,598 - -	14,726 10 6	2,871 9 6	—
17	Dover Harbour - - - -	78	200 - -	- -	200 - -	—
18	Peterhead Harbour - - - -	80	30,120 - -	29,452 9 3	667 10 9	—
19	Rates on Government Property -	83	221,485 - -	221,473 5 4	11 14 8	—
20	Metropolitan Fire Brigade - - -	85	10,000 - -	10,000 - -	—	—
21	Disturnpiked and Main Roads, England and Wales.	86	242,000 - -	237,123 3 11	4,876 16 1	—
22	Disturnpiked and other Roads, Scotland.	88	35,000 - -	35,000 - -	—	—
	IRELAND:					
23	Public Buildings - - - -	89	212,335 - -	211,582 1 5	752 18 7	—
24	Royal University, Ireland, Buildings	96	17,931 - -	17,801 6 -	129 14 -	—
25	Science and Art Museum Buildings, Dublin.	98	25,000 - -	24,872 - 10	127 19 2	—
	ABROAD:					
26	Lighthouses Abroad - - - -	100	13,208 - -	12,756 13 9	451 6 3	—
27	Diplomatic and Consular Buildings	102	57,577 - -	54,068 9 1	3,508 10 11	—
	TOTAL, CLASS I. - - -	£.	1,869,274 - -	1,838,765 1 7	30,508 18 5	—

ABSTRACT STATEMENT showing the Appropriation of Grants, &c., for the Year ended 31 March 1887—continued.

Number of Vote.	SERVICE.	Reference to Detailed Account in Parliamentary Paper 30, of Session 1886.	GRANT.	EXPENDITURE.	EXPENDITURE.	
					Less than Grant.	More than Grant.
	CLASS II. (SALARIES AND EXPENSES OF PUBLIC DEPARTMENTS):		£. s. d.	£. s. d.	£. s. d.	£. s. d.
	ENGLAND:	Page.				
1	House of Lords Offices - - -	114	43,978 - -	44,026 14 10	—	48 14 10.
2	House of Commons Offices - - -	118	52,493 - -	50,774 18 4	1,718 1 8	—
3	Treasury - - - - -	121	59,506 - -	57,792 8 10	1,713 11 2	—
4	Home Office - - - - -	124	95,632 - -	93,057 5 3	2,574 14 9	—
5	Foreign Office - - - - -	130	72,329 - -	71,788 16 -	540 4 -	—
6	Colonial Office - - - - -	133	41,016 - -	40,730 16 11	285 3 1	—
7	Privy Council Office - - -	136	46,816 - -	45,607 19 11	1,208 - 1	—
8	Board of Trade - - - - -	140	106,817 - -	105,882 2 11	934 17 1	—
9	Bankruptcy Department of the Board of Trade - - -	144	252 - -	—	252 - -	—
10	Charity Commission - - -	148	38,465 - -	37,573 4 5	891 15 7	—
11	Civil Service Commission - -	152	38,149 - -	37,466 2 9	682 17 3	—
12	Exchequer and Audit Department - - - - -	154	53,955 - -	52,990 4 1	964 15 11	—
13	Friendly Societies Registry - -	156	8,207 - -	8,098 - 3	108 19 9	—
14	Land Commissioners for England -	158	22,111 - -	21,003 - 4	1,107 19 8	—
15	Local Government Board - -	161	447,456 - -	447,072 13 7	383 6 5	—
16	Lunacy Commission, England -	167	15,239 - -	15,157 17 1	81 2 11	—
17	Mint - - - - -	169	69,081 - -	60,871 4 6	8,209 15 6	—
18	National Debt Office - - -	174	14,796 - -	14,545 15 3	250 4 9	—
19	Patent Office - - - - -	176	53,303 - -	48,747 6 11	4,555 13 1	—
20	Paymaster General's Office - -	180	26,190 - -	24,881 9 3	1,308 10 9	—
21	Public Works Loan Commission -	182	9,614 - -	9,083 2 5	530 17 7	—
22	Record Office - - - - -	184	21,326 - -	21,198 10 1	127 9 11	—
23	Registrar General's Office, England	186	49,211 - -	46,992 19 8	2,218 - 4	—
24	Stationery and Printing - - -	188	561,424 - -	561,251 19 4	172 - 8	—
25	Office of Woods, Forests, and Land Revenues - - - - -	194	23,043 - -	23,014 18 -	28 2 -	—
26	Office of Works and Public Buildings - - - - -	197	49,059 - -	47,126 11 10	1,932 8 2	—
27	Mercantile Marine Fund (Grant-in-Aid) - - - - -	201	40,000 - -	40,000 - -	—	—
28	Secret Service - - - - -	210	50,000 - -	37,697 3 3	12,302 16 9	—
	SCOTLAND:					
29	Secretary for Scotland's Office -	212	9,000 - -	8,879 3 -	120 17 -	—
30	Exchequer and other Offices - -	215	6,455 - -	6,345 1 3	109 18 9	—
31	Fishery Board - - - - -	218	26,780 - -	26,435 2 3	344 17 9	—
32	Lunacy Commission - - - - -	222	5,982 - -	5,880 5 8	101 14 4	—
33	Registrar General's Office - -	224	6,089 - -	5,898 8 8	190 11 4	—
34	Board of Supervision, &c. - -	226	29,340 - -	29,105 12 2	234 7 10	—
	IRELAND:					
35	Lord Lieutenant's Household -	228	7,516 - -	7,512 19 9	3 - 3	—
36	Chief Secretary's Office, &c. -	231	40,866 - -	40,844 4 11	21 15 1	—
37	Charitable Donations and Bequests Office - - - - -	236	2,019 - -	2,013 4 7	5 15 5	—
38	Local Government Board - - -	238	143,688 - -	140,918 7 2	2,769 12 10	—
39	Public Works Office - - - - -	242	50,559 - -	49,291 17 4	1,267 2 8	—
40	Record Office - - - - -	249	6,414 - -	5,639 2 11	774 17 1	—
41	Registrar General's Office - -	251	16,126 - -	15,684 12 6	441 7 6	—
42	Valuation and Boundary Survey -	254	23,826 - -	23,690 10 10	135 9 2	—
	TOTAL, CLASS II. - - -		£. 2,484,128 - -	2,432,571 19 -	51,604 15 10	48 14 10

ABSTRACT STATEMENT showing the Appropriation of Grants, &c., for the Year ended 31 March 1887—*continued*.

Number of Vote.	SERVICE.	Reference to Detailed Account in Parliamentary Paper No. of Session 1886.	GRANT.	EXPENDITURE.	EXPENDITURE.	
					Less than Grant.	More than Grant.
	CLASS III.					
	LAW AND JUSTICE :					
	ENGLAND :	Page.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
1	Law Charges - - - -	264	84,974 - -	83,584 12 4	1,439 7 8	—
2	Criminal Prosecutions, &c. - -	269	159,277 - -	158,602 2 9	674 17 3	—
3	Supreme Court of Judicature - -	271	422,219 - -	417,870 14 1	4,348 5 11	—
4	Wreck Commission - - - -	274	13,430 - -	11,672 17 5	1,757 2 7	—
5	County Courts - - - -	276	428,804 - -	432,064 12 6	—	3,260 12 6
6	Land Registry - - - -	279	2,942 - -	2,917 15 4	24 4 8	—
7	Revising Barristers - - - -	281	20,370 - -	20,370 - -	—	—
8	Police Courts, London and Sheerness - - - -	282	15,565 - -	15,408 16 1	156 3 11	—
9	Metropolitan Police - - - -	287	559,730 - -	559,245 10 10	484 9 2	—
10	Special Police - - - -	290	36,000 - -	34,892 3 2	1,107 16 10	—
11	Police, Counties and Boroughs, England and Wales - - - -	291	853,311 - -	850,710 11 -	2,600 9 -	—
12	Convict Establishments, England and the Colonies - - - -	293	346,644 - -	312,632 19 6	34,011 - 6	—
13	Prisons, England - - - -	299	466,035 - -	431,682 14 6	34,352 5 6	—
14	Reformatory and Industrial Schools, Great Britain - - - -	305	280,852 - -	279,374 3 11	1,477 16 1	—
15	Broadmoor Criminal Lunatic Asylum - - - -	308	29,282 - -	28,071 13 8	1,210 6 4	—
	SCOTLAND :					
16	Lord Advocate and Criminal Proceedings - - - -	313	64,356 - -	57,268 11 6	7,087 8 6	—
17	Courts of Law and Justice - - -	317	63,921 - -	63,016 17 9	904 2 3	—
18	Register House Department - - -	322	36,862 - -	36,682 13 11	179 6 1	—
18A	Crofters Commission - - - -	325	3,930 - -	3,903 16 9	26 3 3	—
19	Police Counties and Burghs - - -	327	148,037 - -	147,656 16 3	380 3 9	—
20	Prisons - - - -	329	108,876 - -	108,704 4 11	171 15 1	—
	IRELAND :					
21	Law Charges and Criminal Prosecutions - - - -	338	74,041 - -	73,385 15 10	655 4 2	—
22	Supreme Court of Judicature - -	348	88,861 - -	86,917 18 7	1,943 1 5	—
23	Court of Bankruptcy - - - -	350	10,346 - -	10,319 4 8	26 15 4	—
24	Admiralty Court Registry - - -	352	1,285 - -	1,258 11 -	26 9 -	—
25	Registry of Deeds - - - -	354	16,835 - -	16,067 4 7	767 15 6	—
26	Registry of Judgments - - - -	356	2,363 - -	2,340 17 2	22 2 10	—
27	Irish Land Commission - - - -	358	54,613 - -	46,612 2 5	8,000 17 7	—
28	County Court Officers, &c. - - -	361	105,450 - -	105,358 10 9	91 9 3	—
29	Dublin Metropolitan Police - - -	365	150,632 - -	147,095 6 7	3,536 13 5	—
30	Constabulary - - - -	368	1,428,113 - -	1,421,844 6 2	6,268 13 10	—
31	Prisons - - - -	373	155,886 - -	135,532 10 2	20,353 9 10	—
32	Reformatory and Industrial Schools - - - -	389	108,067 - -	103,171 6 5	4,885 13 7	—
33	Dundrum Criminal Lunatic Asylum - - - -	391	6,755 - -	6,380 14 8	374 5 4	—
	TOTAL, CLASS III. - - -		£. 6,348,654 - -	6,212,568 17 2	139,345 15 4	3,260 12 6

ABSTRACT STATEMENT showing the Appropriation of Grants, &c., for the Year ended 31 March 1887—continued.

Number of Vote.	SERVICE.	Reference to Detailed Account in Parliamentary Paper 30, of Session 1888.	GRANT.	EXPENDITURE.	EXPENDITURE.					
					Less than Grant.	More than Grant.				
CLASS IV.										
EDUCATION, SCIENCE AND ART:			£.	s. d.	£.	s. d.	£.	s. d.	£.	s. d.
ENGLAND:			Page							
1	Public Education, England and Wales - - - - -	398	3,422,989	- -	3,421,260	2 2	1,728	17 10	—	
2	Science and Art Department - - - - -	402	410,603	- -	410,167	- 7	485	19 5	—	
3	British Museum - - - - -	419	162,285	- -	160,166	16 8	2,118	3 4	—	
4	National Gallery - - - - -	422	8,607	- -	8,432	17 9	174	2 3	—	
5	National Portrait Gallery - - - - -	424	2,361	- -	2,306	19 9	54	- 3	—	
6	Learned Societies and Scientific Investigation - - - - -	426	24,400	- -	24,400	- -	—		—	
7	London University - - - - -	440	13,152	- -	13,139	9 7	12	10 5	—	
8	University Colleges, Wales - - - - -	443	12,000	- -	12,000	- -	—		—	
9	Deep Sea Exploring Expedition (Report) - - - - -	452	4,337	- -	4,235	11 5	101	8 7	—	
SCOTLAND:										
10	Public Education - - - - -	454	524,263	- -	524,066	1 5	196	18 7	—	
11	Universities, &c. - - - - -	461	19,508	- -	19,460	9 10	47	10 2	—	
12	National Gallery - - - - -	465	2,100	- -	2,100	- -	—		—	
IRELAND:										
13	Public Education - - - - -	466	851,973	- -	847,611	16 5	4,361	3 7	—	
14	Teachers' Pension Office - - - - -	476	2,145	- -	1,994	5 1	150	14 11	—	
15	Endowed Schools Commissioners - - - - -	479	670	- -	656	2 4	13	17 8	—	
16	National Gallery - - - - -	481	2,501	- -	2,498	3 1	2	16 11	—	
17	Queen's Colleges - - - - -	484	11,028	- -	10,013	18 -	1,014	2 -	—	
18	Royal Irish Academy - - - - -	489	2,520	- -	2,259	17 -	260	3 -	—	
19	Royal University of Ireland - - - - -	491	5,000	- -	5,000	- -	—		—	
TOTAL, CLASS IV. - -			£.	5,482,442	- -	5,471,769	11 1	10,672	8 11	—
CLASS V.										
COLONIAL, CONSULAR, AND OTHER FOREIGN SERVICES:										
1	Diplomatic Services - - - - -	496	248,795	- -	246,252	6 3	2,542	13 9	—	
2	Consular Services - - - - -	502	186,486	- -	181,006	19 2	5,479	- 10	—	
3	Slave Trade Services - - - - -	522	23,210	- -	22,487	15 8	722	4 4	—	
4	Suez Canal (British Directors) - - - - -	526	2,405	- -	2,386	9 8	18	10 4	—	
5	Grants in Aid of Expenditure in certain Colonies - - - - -	528	31,616	- -	28,192	6 10	3,423	13 2	—	
6	South Africa and St. Helena - - - - -	549	109,637	- -	101,424	16 3	8,212	3 9	—	
7	Subsidies to Telegraph Companies - - - - -	561	50,050	- -	41,455	9 7	8,594	10 5	—	
8	Cyprus, Grant in Aid - - - - -	562	20,090	- -	20,000	- -	—		—	
TOTAL, CLASS V. - -			£.	672,199	- -	643,206	3 5	28,992	16 7	—

ABSTRACT STATEMENT showing the Appropriation of Grants, &c., for the Year ended 31 March 1887—continued.

Number of Vote.	SERVICE.	Reference to Detailed Account in Parliamentary Paper 30, of Session 1888.	GRANT.	EXPENDITURE.	EXPENDITURE.	
					Less than Grant.	More than Grant.
	CLASS VI.		£. s. d.	£. s. d.	£. s. d.	£. s. d.
	NON-EFFECTIVE AND CHARITABLE SERVICES:					
		Page				
1	Superannuations and Retired Allowances - - - - -	570	475,182 - -	*474,338 13 5	843 6 7	—
1A	Gratuity to Lady Gosset - - -	583	1,000 - -	1,000 - -	—	—
2	Merchant Seamen's Fund, Pensions, &c. - - - - -	584	19,200 - -	18,126 13 9	1,073 6 3	—
3	Pauper Lunatics, England - - -	586	495,000 - -	479,815 4 8	15,184 15 4	—
4	Pauper Lunatics, Scotland - - -	588	87,157 - -	87,148 14 5	8 5 7	—
5	Pauper Lunatics, Ireland - - -	590	99,800 - -	99,608 16 -	191 4 -	—
6	Hospitals and Infirmaries, Ireland	592	16,658 - -	16,656 10 5	1 9 7	—
7	Savings Banks and Friendly Societies Deficiency - - -	594	52,364 - -	52,363 13 7	- 6 5	—
8	Miscellaneous Charitable and other Allowances, Great Britain - - -	596	2,611 - -	2,509 9 8	101 10 4	—
9	Miscellaneous Charitable and other Allowances, Ireland - - -	598	2,703 - -	2,658 16 6	44 3 6	—
	TOTAL, CLASS VI. - - -	£.	1,251,675 - -	1,234,226 12 5	17,448 7 7	--
	CLASS VII.					
	MISCELLANEOUS:					
1	Temporary Commissions - - -	602	32,331 - -	31,914 11 1	416 8 11	—
2	Miscellaneous Expenses - - -	611	7,802 - -	7,121 2 8	680 17 4	—
3	Repayments to the Civil Contingencies Fund - - -	614	14,786 - -	14,785 19 7	- - 5	—
4	Adelaide Exhibition, 1887 - - -	615	1,000 - -	1,000 - -	—	—
5	"Telegrafo" Claims - - -	616	9,306 - -	9,305 17 8	- 2 4	—
6	Treasury Chest Robbery - - -	617	147 - -	146 5 -	- 15 -	—
	TOTAL, CLASS VII. - - -	£.	65,372 - -	64,273 16 -	1,098 4 -	—

* Including a sum of 12 s. 8 d., on which the final decision is suspended.

Appendix, No. 3.

PAPER handed in by Mr. *John Collett*, at request of the Committee.

COST of Large Repairs on Her Majesty's Ship "Briton."

DOCKYARD, &c.	Taken in Hand.	Completed.	Cost of Repairs.	Nature of Repairs.
			£.	
MAURITIUS - - -	5 Sept. 1873	15 Sept. 1873	1,431	Docking, repairing damage caused by grounding, &c.
TRINCOMALEE - - -	30 June 1874	8 Aug. 1874	1,270	Repairs to hull, masts, yards and rigging, &c.
DEVONPORT - - -	3 Mar. 1878	- Apr. 1881	37,517	Repair and refit for further sea service, and fitting new boilers.
BOMBAY - - -	17 Sept. 1884	28 Nov. 1884	3,052	Docking and making good defects of hull, machinery, &c.
BOMBAY - - -	30 Sept. 1886	2 Feb. 1887	1,745	Docking and making good defects of hull, machinery, &c.
		£.	45,015	

Small repairs on various occasions raise the total to 50,189 £., but this total includes about 11,500 £. for sea stores.

Appendix, No. 4.

PAPER handed in by Sir Charles Ryan, K.C.B., 10 April 1889.

MEMORANDUM relative to the Sale of H.M.S. "Briton," on 15th August 1887, for
£. 3,541. 17. 6. .

The building of H.M.S. "Briton" appears to have been commenced at Sheerness 1868 and finished at Portsmouth in 1870.

The following Expenditure was incurred at H.M. Dockyards, and under "Contract Work," for Wear, Tear, and Maintenance during the Years given :

	£.	
Year 1871-72 - - -	1,886	
" 1872-73 - - -	42	
" 1873-74 - - -	2,450	H.M.S. "Briton."—Employment, &c. :
" 1874-75 - - -	1,761	1. "Medway Steam Reserve," April 1870.
" 1875-76 - - -	613	2. Commissioned for East India Station, November 1871.
" 1878-79 - - -	11,079	3. In Reserve at Devonport, 1876 to 1880.
" 1879-80 - - -	11,050	
" 1880-81 - - -	14,589	
" 1881-82 - - -	958	4. Commissioned at Devonport, 29th March 1881.
" 1882-83 - - -	272	5. Re-commissioned at Suakim, 1st May 1884.
" 1883-84 - - -	209	6. Sold, August 1887.
" 1884-85 - - -	4,497	
" 1885-86 - - -	1,393	
" 1886-87 - - -	1,817	
	52,616	
Less Materials returned in 1876-77 and 1877-78 -	1,845	
NET TOTAL - - £.	50,771	

In addition to this sum of 50,771 £., the Expense Accounts for the year 1887-88, now about to be Presented, show a sum of 1,745 £. (contract work) for the repairs referred to in paragraph 23 of the Comptroller and Auditor General's Report, 1887-88.

THIRD
REPORT
FROM THE
COMMITTEE
OF
PUBLIC ACCOUNTS;
TOGETHER WITH THE
PROCEEDINGS OF THE COMMITTEE,
MINUTES OF EVIDENCE,
AND APPENDIX.

*Ordered, by The House of Commons, to be Printed,
29 May 1889.*

[*Price 8 d.*]

175.

Under 8 oz.

H.—18. 6. 89.

F O U R T H
R E P O R T
FROM THE
C O M M I T T E E
OF
P U B L I C A C C O U N T S;
TOGETHER WITH THE
PROCEEDINGS OF THE COMMITTEE,
M I N U T E S O F E V I D E N C E,
AND APPENDIX.

Ordered, by The House of Commons, to be Printed,
17 July 1889.

L O N D O N :
PRINTED BY HENRY HANSARD AND SON;
AND
Published by EYRE and SPOTTISWOODE, East Harding-street, London, E.C.,
and 32, Abingdon-street, Westminster, S.W. ;
ADAM and CHARLES BLACK, North Bridge, Edinburgh ;
and HODGES, FIGGIS, and Co, 104, Grafton-street, Dublin.

COMMITTEE OF PUBLIC ACCOUNTS.

Committee nominated,—[*Thursday, 7th March 1889*]—of—

Sir John Lubbock.	Mr. Jackson.
Sir Walter Barttelot.	Mr. Lane.
Mr. Salt.	Mr. Sydney Buxton.
Mr. Barran.	Mr. Arthur O'Connor.
Sir Richard Temple.	Mr. Wodehouse.
Sir Ughtred Kay-Shuttleworth.	

Ordered,—[*Tuesday, 12th March 1889*]:—THAT the Committee have power to send for Persons, Papers, and Records.

FOURTH REPORT	- - - - -	p. iii
PROCEEDINGS OF THE COMMITTEE	- - - - -	p. xiii
MINUTES OF EVIDENCE	- - - - -	p. 1
APPENDIX	- - - - -	p. 133

F O U R T H R E P O R T.

THE COMMITTEE of PUBLIC ACCOUNTS have considered the matters to them referred, and have agreed to the following **FOURTH REPORT** :—

ARMY APPROPRIATION ACCOUNT.

SURPLUS.

1. THE Account shows the large sum of 779,808 *l.* 18 *s.* 1 *d.* as a surplus. Q. 1662. But this is more apparent than real, since of the total amount 575,000 *l.* was saved on the Store Vote, and nearly the whole of this saving was due to the fact that the Arsenal and the contractors proved unable to supply within the year the amount of Naval Stores which had been expected.

MAINTENANCE OF LOCAL FORCE AT SUAKIM.

2. The Committee of Public Accounts last year reserved their opinion, pending investigation of the subject by the Treasury, on a transaction which had resulted in a larger contribution out of Imperial funds, towards the military expenses of the Egyptian Government in 1886-87, than had been stated to Parliament when the claims of the Egyptian Government were settled. Your Committee are now informed that the value of the stores which had thus increased the contribution has proved less than had been supposed, amounting to 14,454 *l.* The fact that stores to such an amount had been provided should have been communicated to the Treasury, so that this might have been taken into consideration in settling the claims of the Egyptian Government. Q. 1667.

Public Accounts Committee, Second Report, 1888, p. xii.

PAYMENTS BY INDIA FOR HOME EFFECTIVE CHARGES.

3. Your Committee have again to report that the basis on which the Indian Government should pay for the Home Charges has not yet been decided, although progress has been made by the Committee which for several years has been considering the question, and hopes are entertained of further advance before the end of this Session. Q. 1680-1699. 2756.

INDIAN NON-EFFECTIVE CHARGES.

4. The Indian Non-Effective Charges for 1887-88 remain unsettled, as the Q. 1700. actuarial calculations are still under consideration at the India Office.

VOTE 1.—PAY OF CHIEF PAYMASTER IN EGYPT.

VOTE 19.—SUB-HEAD B.—MILITIA QUARTERMASTERS' RETIRED PAY.

VOTE 23.—SUB-HEAD A.—DISABILITY PERMANENT PENSIONS.

5. On the Votes above enumerated, questions arose as to the interpretation of Royal Warrants. The question which arose on Disability Permanent Pensions was specially brought to the notice of the Comptroller and Auditor General by the Treasury, because of the claim made by the Secretary of State, Mr. Stanhope, to apply his undoubted power, as "the sole administrator and interpreter" of Royal Warrants, in such a manner as practically to withdraw from the Treasury its control over the expenditure consequent on his interpretation of a Royal Warrant. It appears that the present Law Officers of the Crown had been consulted on a previous difference between the Treasury and the War Office, and had given an opinion, dated 21st December 1887, that the Secretary of State's interpretation of a Royal Warrant was binding on the Treasury.

Nevertheless your Committee feel bound to call attention to the fact that the claim, if conceded to the extent apparently desired, would have relieved the War Office from financial control to an extent without precedent in the position of other Departments, the Admiralty for example, in relation to money voted by Parliament.

Your Committee received evidence from Mr. Stanhope, who stated fully the view for which he has contended.

The importance of maintaining the Secretary of State's interpretation of Royal Warrants as final is recognised by your Committee, subject always to the conditions which have been from time to time defined by the Public Accounts Committee, and to the control that must be exercised by the Treasury over departmental proceedings leading to expenditure of voted money, and subject also to the statutory powers of the Comptroller and Auditor General, to which your Committee do not refer more fully because they have not been called in question.

Mr. Stanhope, having pointed out that to appeal to the Treasury upon questions of minor importance would be exceedingly inconvenient, said that he had exercised his power with great diffidence, and had been reluctant to exercise it where he thought that there was any doubt.

The Treasury does not ask that it should be consulted on every question of interpretation, certainly not on petty or trivial points, but only where there is a doubt, involving a question of material increase in public expenditure.

Your Committee trust that a practical settlement of the difference between the Treasury and the War Office may be found, if the Secretary of State, recognising the expediency of consulting the Treasury in all cases of financial importance, or where a material increase of expenditure would result from the interpretation proposed to be placed on a Royal Warrant, were not to give his formal decision on its meaning until the Treasury had been afforded an opportunity of stating its view.

VOTE 6.—YEOMANRY CAVALRY.

6. In connection with certain relaxations of the regulations under which yeomanry pay has been issued, the Treasury claims that modifications which tend in any material degree to increase the public expenditure should be submitted to it before the regulations are thus changed. Your Committee trust that the War Office will recognise that it is for the public interest that this claim should be admitted. The necessity for consulting the Treasury on a temporary relaxation or variation of conditions of pay is not disputed. The importance of Treasury sanction seems even greater when such a change is intended to have permanent effect.

VOTE 12.—SUB-HEAD D.—WAGES, MANAGER AND ASSISTANT MANAGERS.

7. The pay of a manager and of assistant managers receiving 6 l. 10 s. a week, is included under the head of wages. The superintendent of a factory seems now to have power to appoint such persons, and decide what pay they shall receive. Your Committee were informed that the Secretary of State thinks that

that there should be some limits as to their rates of pay. Formerly, when managers and assistant managers were permanent officers, their salaries were approved by the Treasury, who should, in your Committee's opinion, have a voice in determining the limits of expenditure for servants receiving such high remuneration, whether in the form of salary or weekly wages.

VOTE 13.—HALF COST OF DEFENCES AT ADEN.

8. The Imperial Government undertook to share the cost of the special defence works at Aden equally with the Indian Government. The amount voted for 1887-88, namely 26,000 £., has been paid, without requiring vouchers, or a statement under specified heads of the total cost of the works up to a certain date. Q. 1812.

Your Committee recommend that, in cases of this kind, the War Office should obtain such a statement, and furnish it to the Comptroller and Auditor General.

9. Your Committee elicited from the Accountant General of the War Office that the share borne by the Imperial Government for the year in question, viz., 26,000 £., was far in excess of half the expenditure. They feel bound to dissent from his view that this is of no consequence. They hold that, in the case of an agreement to pay half the cost of works extending over a long time, the periodical payments should approximate as closely as possible to half the cost incurred, and should be met by equal payments from the other contracting party. Q. 1827. 1863.

VOTE 15.—SUB-HEAD C.—REWARDS TO INVENTORS.

10. Your Committee recommend that the Appropriation Accounts should annually contain a statement showing in detail the amounts paid to various inventors. Q. 1865-1868.

VOTE 19.—SUB-HEAD C.

11. Correspondence, consequent on the award of retired pay to a Staff Paymaster, and of a Chelsea pension, has been printed in the Appropriation Account. In both cases, objection was taken by the Comptroller and Auditor General to awards which appeared to confer the combined benefits of two or more Royal Warrants. Your Committee hold that, unless one Warrant purports expressly to amend the other, they cannot be read together so as to increase the amount of a payment which one Warrant, read alone, would authorise. Army Appropriation Account, 1887-88, pp. 207-210, L., L.-11.

This view seems now to be accepted by the War Office. Q. 1881.

STORE ACCOUNTS OF THE ARMY.

ORDNANCE STORE ACCOUNTS.

12. The Ordnance Store Accounts should be rendered to the Comptroller and Auditor General with much less delay. Your Committee received an assurance from the Accountant General of the War Office that an improvement will be introduced, so that the accounts will be ready at a very much earlier date. Q. 1964.

CONDITION OF STORES.

13. Your Committee agree with the Comptroller and Auditor General that it is of great importance that the Store Accounts should distinguish between stores actually serviceable and those partially or wholly unfit for immediate service. Army Appropriation Account, 1887-88, p. 226, para. 6. Q. 1982.

SALE OF STORES.

14. The general rule that stores should not be sold otherwise than by auction or public tender is one that should be as strictly observed as may be consistent with obtaining the best return. Any sales which it may be necessary to effect outside that rule should be under the sanction and control of strict regulations. Your Committee were assured by the Accountant General of the War Office that such conditions will be fulfilled in all sales under the new system. Q. 2000-2009. Q. 2010-2012.

STORE ACCOUNTS OF THE NAVY.

NON-EXAMINATION OF STOREKEEPERS' ACCOUNTS BY DIRECTOR OF STORES.

Public Accounts
Committee,
Second Report,
1888, p. xix.

15. The Public Accounts Committee last year reported that the important question of the sufficiency or otherwise of the examination which the storekeepers' accounts receive had been referred to a Committee, consisting of Mr. Mills (then Treasury Officer of Accounts, but now Assistant Comptroller and Auditor), and Mr. Waterhouse, of the firm of Price, Waterhouse & Co.

Q. 1137.

The further Report of that Committee was handed to your Committee on the 3rd July by the Treasury, with a Treasury Minute of the 2nd July. Both are printed in the Appendix.

Q. 2709.
Appendix
(Paper 8).

The question above mentioned appears now to have been settled by that Report, which on this point is practically accepted by the Treasury and the Admiralty.

Q. 2711-2713.

Under these circumstances your Committee do not enter more fully upon this subject.

EXCESSIVE ISSUES TO SHIPS.

Q. 1146.

16. Hitherto the storekeeper has been bound to exercise an independent check on the demands for stores made by captains of ships. Although, doubtless, the responsibility for making a correct demand should rest on the captain, who alone can ascertain the quantity of remains in the ship, and although there should be no undue delay in supplying stores, your Committee share the doubt of the Comptroller and Auditor General whether it is expedient to part with this check, the value of which he explained in his evidence. The point deserves careful reconsideration at the Admiralty.

Appendix
(Paper 5).

Q. 1147, 8.

Q. 1159.

DENOMINATION OF STORES.

17. The Admiralty admit that stores should not be bought by weight, and taken on charge under another denomination, such as capacity, or *vice versa*, where this inconvenience can be avoided. Where that is impossible, your Committee were assured that a scale would, as a rule, be furnished, to enable the Comptroller and Auditor General to convert the one denomination readily into the other.

Q. 1192, 3.

IRREGULAR RECEIPTS.

Q. 1242.

18. Your Committee learn that the irregular practice of receipting issue notes before the stores are issued, and leaving such receipts with the storekeeper, when from any cause the stores are not issued, has been stopped. Your Committee trust that the Admiralty will take care that their instructions on this subject are obeyed in future.

STORE LEDGERS AT FOREIGN YARDS.

Q. 1267.

19. Both on the Store Accounts of the Navy and on the Dockyard Expense Accounts this year, and on more than one previous occasion, attention has been called by the Comptroller and Auditor General to the unsatisfactory mode in which accounts are kept at some of the foreign yards. At certain yards, for example, no duplicate ledgers are kept, and no independent check on the accounts consequently exists. He reports that at some yards particular ledgers are not totalled and balanced once in every quarter. Your Committee are glad to learn that the Admiralty have taken steps to investigate the system of accounts and administration of foreign yards.

Navy Appropriation Account,
1887-88, p. 207,
para. 9.
Q. 2727, 8.

STORES AT MALTA.

20 Reports of the Comptroller and Auditor General on apparently excessive stocks of "iron superior," steel, electro-plated goods, &c., at Malta, lead your Committee to recommend that the stores at Malta should be carefully reviewed, so as to prevent unnecessary accumulations.

Navy Appropriation Account, 1887-88, pp. 207 and 209, paras. 19 and 14.
Q. 1274. 1327.
1522.
Appendix (Papers 3 and 4).

STOCKTAKING, HOME AND FOREIGN YARDS, AND VICTUALLING YARDS.

21. The Comptroller and Auditor General has again pointed out the necessity of securing that the persons by whom stock is taken at any yard should be unconnected with that yard, and in an independent position. The consideration of this important question by the Admiralty, in accordance with the Public Accounts Committee's recommendation, is still proceeding.

Navy Appropriation Account, 1887-88, pp. 208-9, 213, paras. 11, 12, 20.
Q. 1386.
Q. 1588. 1611.
Second Report, 1888, p. xx.

STORE ACCOUNTS AND SURVEYS ON SHIPS.

22. Your Committee concur with the Comptroller and Auditor General in doubting whether accounts or surveys, relating to stores on board Her Majesty's ships, possess much value, so long as they are characterised by the inaccuracies to which he directs attention.

Navy Appropriation Account, 1887-88, pp. 210, 211, paras. 15 and 17.
Q. 1391. 1477.
1481.
Appendix (Papers 6 and 7).

ISSUE OF STORES IN BULK.

23. The issue of stores in bulk is a practice which, though necessary in certain cases which were explained to your Committee, should be restricted to those cases, and regulated by definite rules.

Q. 1634. 1652-7.

DOCKYARD EXPENSE ACCOUNTS AND MANUFACTURING ACCOUNTS OF ARMY AND NAVY.

24. Time has not sufficed for more than a very limited test examination of the Navy Expense and Manufacturing Accounts, and the Comptroller and Auditor General states that his Report is the result more of general review and criticism than of strict audit. Next year the Expense Accounts will be affected by the alteration in the form of the Estimates for 1888-89 (Vote 8), on which the Public Accounts Committee reported last year. And in 1891, these Accounts will have to conform to this year's Estimates, containing the new Vote, Vote B, upon the form of which your Committee have already reported.

Q. 2714.
Report on the Navy Expense Accounts, 1887-88, p. 213, para. 3.
Public Accounts Committee, Third Report, 1888, para. 27.
Public Accounts Committee, Second Report, 1889.

25. In accordance with the announcement made in the Treasury Minute of 13th March 1889, on the First and Second Reports of the Public Accounts Committee of last year, a Bill has been introduced on behalf of Her Majesty's Government, and has been read a third time, "to make provision for the audit of the Manufacturing and Shipbuilding and other like Accounts of the Army and Navy."

Appendix to Third Report, p. 56, para. 43.

The advantage of subjecting the Expense Accounts to the examination of the Comptroller and Auditor General was dwelt upon by the Public Accounts Committee last year; and your Committee observe with satisfaction that he will now perform this function, with regard to the Army and Navy Accounts alike. The Army Manufacturing Accounts have not hitherto been examined and reported upon.

Public Accounts Committee, Second Report, 1888, p. xxi.

Q. 2752.

DOCKYARD EXPENSE ACCOUNTS.

VALUATION OF STOCK REMAINS.

- Q. 2718. 26. Your Committee are glad to note the great improvement shown in the accuracy of the valuation of stock-remains at the close of the year 1887-88.
- Q. 2719. 27. An oversight was found in the Chatham Accounts, the value of stock-remains being under-stated to the extent of 2,505 *l*. Your Committee are informed that this error has been going on at Chatham since 1879; but that the Admiralty have ascertained that similar errors do not exist at other Yards.

MANUFACTURING ACCOUNTS.

- Q. 2725. 28. Important questions have been raised on the Manufacturing Accounts by the Comptroller and Auditor General, respecting the Conversion Balance Sheets and the General Expenditure in conversion shops, but are still undergoing investigation.

FOREIGN YARD ACCOUNTS.

- (Para. 19 *supra*).
Q. 2727-8. 29. On the Store Accounts of the Navy your Committee have already mentioned that the Foreign Yard Accounts, with which the Admiralty are not altogether satisfied, are to be the subject of a special investigation.

VICTUALLING YARDS ACCOUNTS.

- Q. 2743. 30. It appears that, at the present time, no Expense or Manufacturing Accounts are rendered in connection with the Victualling Yards.
- Your Committee are of opinion that some Accounts of this nature should be rendered in future, but not necessarily in so elaborate a form as those of the Shipbuilding Dockyards.

CIVIL SERVICE APPROPRIATION ACCOUNTS.

STATEMENTS OF TOTAL AND NET COST.

- Public Accounts Committee,
First Report, 1879,
Q. 227.
Second Report,
1879, para. 35.
31. Returns of the total cost of each Service have appeared in the Appropriation Accounts annually, since the Public Accounts Committee suggested, in 1879, that the total cost of each Service might be shown. A recommendation of the Treasury in 1880 resulted, with the approval of the Public Accounts Committee, in the addition of Returns of the Net Cost of each Service.

- Civil Service Appropriation Accounts,
1887-88, p. v,
Section 5.
- The Comptroller and Auditor General, in reporting that he has this year furnished these Returns in an abstract statement at the end of each class of the Accounts, raised the question of their utility, pointing out that they "are necessarily in the nature of Estimates formed by the various Departments of the expenditure for other Departments, and thus differ wholly in character from the verified figures" to which he certifies.

- Q. 2036.
Q. 2037-8.
- It was represented to your Committee, however, on the part of the Treasury, that these statements are valuable, and that such a record is needed of the approximate total and net cost, year by year, of each service.

- Report, 1880.
Q. 2048.
- In 1880 the Public Accounts Committee were aware that absolute accuracy would not be possible; and although this cannot be attained, your Committee hope that the statements will be continued in the new form, with any modifications which may be agreed upon between the Comptroller and Auditor General and the Treasury.

CLASS I.

VOTE 13.—SURVEYS OF THE UNITED KINGDOM.

32. Your Committee are glad to note a further reduction of the balance outstanding for maps supplied to the Land Judges' Court, Ireland; but it still amounted,

amounted, on 31st March 1888, to 12,283 *l.* 6 *s.* 9 *d.*; and the evidence given to your Committee shows that, of the balance on 30th September 1888, as much as 4,903 *l.* had been due for three years or more.

Civil Service
Appropriation
Accounts,
1887-88, p. 57,
para. 2.
Q. 2070.

CLASS II.

VOTE 8 (1884-85).—PRIVY SEAL OFFICE (1884-85).

33. Your Committee are satisfied with the settlement of the outstanding question, referred to in last year's Report. This is fully explained in the Treasury Minute dealing with that Report.

Q. 2149.
Public Accounts
Committee,
Second Report,
1888, p. iv.
Appendix to Third
Report, 1889,
pp. 3, 17.

VOTE 8.—BOARD OF TRADE.

34. The Comptroller and Auditor General reported a sum of 2 *l.* 4 *s.* 3 *d.*, as not properly chargeable to this Vote, owing to the absence of Treasury sanction. This has since been given, and the balance may stand as stated in the account.

Q. 2154.

VOTE 12.—EXCHEQUER AND AUDIT DEPARTMENT.

35. Last year the Public Accounts Committee stated that the Comptroller and Auditor General would make some proposal, which would have for its object the association with himself of an officer outside his Department to audit its accounts. Having considered various suggestions, your Committee recommend that the Auditor of the Civil List be associated with the Comptroller and Auditor General in the audit of the accounts of this Department.

Second Report,
1888, p. iv.
Civil Service
Appropriation
Accounts,
1887-88, p. 139.

VOTE 14.—LAND COMMISSIONERS FOR ENGLAND.

36. A complete return of the amounts due to the Land Commissioners up to March 1888, in respect of advances, will be found in the evidence. It shows a total of 10,759 *l.* 0 *s.* 10 *d.*, including 7,062 *l.* 14 *s.* 4 *d.* advanced under the Extraordinary Tithe Redemption Act.

Q. 2168.

VOTE 15.—LOCAL GOVERNMENT BOARD.

37. The Comptroller and Auditor General called attention in his Report on the Account of the Local Government Board to the expenditure of 22,705 *l.* 4 *s.* 10 *d.*, under the various sub-heads of the Vote which provide for travelling, and he enumerated, under several heads, the chief causes of what he regarded as excessive expenses. These points have been taken up by the Local Government Board in a manner so thorough, that the Comptroller and Auditor General is led to anticipate considerable economies.

Civil Service
Appropriation
Accounts,
1887-88,
pp. 148-9.
Q. 2191-2199.
Q. 2200.

VOTE 25.—OFFICE OF WOODS, FORESTS, &c.

38. An irregularity in the case of two copyists, to whom work has been farmed out, has now been discontinued. The regulation, requiring a certificate that a payment made to a copyist is for work which he has done himself, should be strictly enforced.

Q. 2207-8.

VOTE 27.—MERCANTILE MARINE FUND.

39. The unsatisfactory state of the Mercantile Marine Fund, in aid of which a sum of 40,000 *l.* is annually granted by Parliament, has been noticed by the Public Accounts Committee in its Reports for 1887 and 1888. The balance to the credit of the Fund fell from 429,000 *l.* in 1884 to 110,000 *l.* in 1886, in consequence of deficiencies of income to meet expenditure, such deficiencies amounting in the aggregate in the two years to 319,000 *l.* These were followed by a deficiency of 156,000 *l.* in 1886-87, and a further, though reduced, deficiency of 94,000 *l.* in 1887-88. The two later deficiencies were met by a loan of 200,000 *l.*, obtained from the Admiralty (Greenwich Hospital Funds), and by a reduction of the credit balance of the Fund to 60,000 *l.* in 1888.

Public Accounts
Committee,
Report, 1887,
para. 31.
Second Report,
1888, p. iv.

Q. 2218, 9. Your Committee learn that, owing to an increase of the light dues by one-sixth, and to certain economies, the estimated deficiency for the year 1888-89 is about 5,000 *l.*, and that a Treasury Committee is now sitting which will shortly report on this Fund.

Q. 2222, 3.

Q. 2251-4. 2290. 40. In consequence, the objection made by the Comptroller and Auditor General to the inclusion in this account of charges which the Board of Trade has not sanctioned, and is prepared to withdraw, questions arose before your Committee as to the proper mode of showing unsanctioned items, still disputed by the Board of Trade when the account is sent to the Comptroller and Auditor General.

Civil Service
Appropriation
Accounts, 1887-88;
pp. 182, 3, paras.
6 and 10.

He also called attention to the form in which the account is presented, and the importance of bringing all the receipts and expenditure in a clear and satisfactory manner under the notice of Parliament.

Q. 2306.

Q. 2276. 2304. The Treasury undertook to consider how the form of the account may be improved.

CLASS III.

VOTE 3.—SUPREME COURT OF JUDICATURE.

Appropriation
Accounts, 1887-88,
p. 252, para. 2.
Q. 2350.

Q. 2354.

Q. 2358.

41. Objection was taken by the Comptroller and Auditor General to the expenditure of 3,000 *l.* in respect of the salaries of five officers, described as "redundant clerks." They had received their full salaries for some years, while performing no duties, though they were liable to be called upon to perform work if required. It appeared that the Treasury had sanctioned, in 1880, an arrangement for the formation of a list of redundant clerks not exceeding six in number. But there are now none of these redundant clerks, of whom two died and three are on pension.

VOTE 12.—PRISON CHARITIES.

Public Accounts
Committee,
Second Report,
1888, p. v.
Q. 2361, 2.

42. Satisfactory progress is being made respecting the schemes for certain prison charities.

VOTE 30.—CONSTABULARY.

First Report,
1889, paras. 2-6.
Q. 2365.

43. The reasons given by your Committee in their First Report, for admitting payments for the salaries of officers formerly called "divisional magistrates," apply also to a sum of 255 *l.* included in the Constabulary Vote. The surplus to be surrendered may, therefore, be the amount stated in the account.

CLASS IV.

VOTE 1.—PUBLIC EDUCATION (ENGLAND AND WALES).

Public Accounts
Committee,
Second Report,
1888, p. vii.
Civil Service
Appropriation
Accounts, 1887-88,
p. 357, para. 2.

44. The suggestion made by the Public Accounts Committee last year, that 100 school schedules, with the necessary back numbers, should be furnished to the Comptroller and Auditor General, has been acted upon. Your Committee desire that the experiment should be repeated during the next year or two, until your Committee have had more opportunities of judging how far, under regulations which have been altered and seem likely to undergo further change, the schedules are now valuable for purposes of audit.

Q. 2450.

Q. 2457.

Q. 2458-2460.
Q. 2452-5.
Q. 2461.

45. In the case of a grant for a cookery class at a Hackney board school, there appeared at first to be a discrepancy, as to the number of scholars, between the statement of the managers and the report of the Inspector, upon which payment was made. The Comptroller and Auditor General asked for an explanation. The answer given did not convey any intelligible explanation; nor was the reply to a second query any better, while its tone and form were unusual. Proper explanations of the discrepancy, which proved to have been apparent only, were given in evidence to your Committee; and the sum paid may consequently be admitted as a proper charge on the Vote.

Your Committee trust that full and clear information will, in future, be cheerfully given in response to all inquiries made by the Comptroller and Auditor General.

46. A grant

46. A grant was paid to a school in Whitechapel, although the time-table had not been signed and was not approved. The following condition was attached to the payment: that "If the payment of the said sum shall be reported by the Comptroller and Auditor General to be an irregular and improper payment, and his decision shall be sustained by the House of Commons," the amount shall be repaid by the committee of managers. Q. 2442.
Q. 2472.
Civil Service
Appropriation
Accounts, 1887-88,
p. 338, para. 4.

The responsibility should not, in the opinion of your Committee, be thrown on the Comptroller and Auditor General of discharging duties which are either those of the Department which makes the payment, or those of the Treasury, to whom the Department should apply in a case where the authority to make the payment is doubtful. Q. 2469.
Q. 2486.

Under all the circumstances of this case, the technical objection to the payment may be waived, and it may be admitted as a proper charge on the Vote.

VOTE 11.—PUBLIC EDUCATION, SCOTLAND.

47. The Comptroller and Auditor General raised a question as to the propriety of treating as income the payments from time to time made to school-managers for books becoming the property of children. Strictly speaking, these are repayments for money advanced by the managers, and are not income. But as the evidence shows that there would be practical inconvenience in excluding these payments from the managers' statement of income, your Committee recommend that the objection should not be pressed. Q. 2662-2677.

CLASS V.

CLASS VI.

VOTE 1.—SUPERANNUATION AND RETIRED ALLOWANCES.

48. Seeing that the question of the payments to the officers till lately called "divisional magistrates" has been settled, in the manner already reported by your Committee, the pension to Captain Antoine Butler may be approved, and the charge against the Vote allowed. First Report,
1889.
Q. 2370-3.

49. Sir John Kirk, late Agent and Consul General at Zanzibar, has been pensioned on his entire service, although during portions of the time he was paid by the Indian Government wholly or in part. The circumstances are special; and your Committee consider that he has a strong moral claim to the full pension, which may therefore be allowed.

50. Mr. Irving, late Resident Councillor at Penang, has been granted a superannuation allowance at the age of 56. Your Committee have to report that this appears to be an illegal payment. An error was apparently committed, as such an officer is not qualified under Section 10 of the Superannuation Act of 1859 for a pension until he attains the age of 60, unless on the ground of ill-health. Q. 2397, 8.

CLASS VII.

VOTE 4.—CELEBRATION OF THE JUBILEE OF HER MAJESTY'S REIGN.

51. On occasions of great public ceremonials a practice has prevailed of employing a certain firm to make the necessary preparations. Your Committee recommend that tenders should, as far as possible, be invited from more than one firm on such occasions. Q. 2406-8.

REVENUE DEPARTMENTS.

VOTE 2.—INLAND REVENUE.

52. The Comptroller and Auditor General advises that, in all cases in which losses by fraud have been written off, particulars should be appended to the Appropriation Account. Your Committee trust that these particulars will annually be brought under the scrutiny of the Exchequer and Audit Office. Q. 2558, 9.

VOTE 3.—POST OFFICE.

- Q. 2567, 2576-8. 53. The question of the limits within which the Postmaster General should be free to substitute unestablished for established labour in the work of sorting parcels should be considered by the Treasury.

VOTE 5.—POST OFFICE TELEGRAPHS—STORE ACCOUNTS.

- Q. 2620. 54. There appears to be a tendency to lose sight of the regulations providing for periodical stock-taking of all stores. The importance of this form of check should not be forgotten.

LOCAL LOANS FUND.

- Local Loans Fund Accounts, 1887-88, pp. 18, 19. 55. In his Report on the first account of the Local Loans Fund, the Comptroller and Auditor General draws attention to the practice of the Irish Board of Works in giving time to borrowers, in case of payments in arrear, before instituting proceedings, as hardly coming within the discretion of that department. But he gives credit to the Board of Works and their legal advisers for increasing activity in the collection of the amounts due. There seems to be reason to believe that the laxity which formerly prevailed will not be continued in future, and that all possible steps are being taken to check the accumulation of arrears.
- Q. 2699, 2706-8.

CONSOLIDATED FUND.

GREENWICH HOSPITAL.

CHELSEA HOSPITAL.

TREASURY CHEST.

WOODS, FORESTS, &c.

CIVIL CONTINGENCIES FUND.

MILITARY FORCES LOCALISATION.

17 *July* 1889.

PROCEEDINGS OF THE COMMITTEE

Wednesday, 8th May 1889.

MEMBERS PRESENT:

Sir UGHTRED KAY-SHUTTLEWORTH in the Chair.

Mr. Wodehouse.
Mr. Sydney Buxton.
Mr. Barran.
Mr. Salt.
Sir Walter Barttelot.

Sir John Lubbock.
Mr. Arthur O'Connor.
Sir Richard Temple.
Mr. Jackson.

The Committee considered the Navy Store Accounts, 1887-88.

Mr. Gilbert, Sir Charles L. Ryan, K.C.B., Mr. Edward W. Hamilton, C.B., Mr. G. L. Ryder, and Mr. H. F. R. Yorke, were examined.

[Adjourned till Wednesday next, at Two o'clock.

Wednesday, 15th May 1889.

MEMBERS PRESENT:

Sir UGHTRED KAY-SHUTTLEWORTH in the Chair.

Mr. Jackson.
Mr. Arthur O'Connor.
Sir Richard Temple.
Mr. Salt.
Mr. Barran.

Mr. Wodehouse.
Mr. Sydney Buxton.
Sir Walter Barttelot.
Sir John Lubbock.

The Committee further considered the Navy Store Accounts, 1887-88.

Mr. Gilbert, Mr. Yorke, Mr. Edward W. Hamilton, C.B., Sir Charles L. Ryan, K.C.B., Mr. Ryder, Major General Howard S. Jones, C.B., Major General Percy G. L. Smith, R.E., and Mr. J. N. Dick, C.B., were examined.

The Committee considered the Army Appropriation Account, 1887-88.

Mr. R. H. Knox, C.B., Sir Charles L. Ryan, K.C.B., Mr. Edward W. Hamilton, C.B., and Mr. Ryder, were examined.

[Adjourned till Wednesday next, at Two o'clock.

Wednesday, 22nd May 1889.

MEMBERS PRESENT :

Sir UGHTRED KAY-SHUTTLEWORTH in the Chair.

Sir John Lubbock.
Mr. Sydney Buxton.
Mr. Jackson.
Sir Richard Temple.

Sir Walter Barttelot.
Mr. Salt.
Mr. Barran.
Mr. Wodehouse.

The Committee further considered the Army Appropriation Account, 1887-88.

Vote 23 was considered, and further consideration postponed.

The remaining Votes, and the Store Accounts were considered.

Mr. *R. H. Knox*, C.B., Sir *Charles L. Ryan*, K.C.B., Mr. *Edward W. Hamilton*, C.B., and Mr. *Ryder*, were examined.

[Adjourned till Wednesday next, at Two o'clock.]

Wednesday, 29th May 1889.

MEMBERS PRESENT :

Sir UGHTRED KAY-SHUTTLEWORTH in the Chair.

Sir John Lubbock.
Sir Richard Temple.
Mr. Barran.
Mr. Wodehouse.

Sir Walter Barttelot.
Mr. Sydney Buxton.
Mr. Salt.

The Committee considered the Civil Service Appropriation Accounts, 1887-88, Class I. and Class II. (Votes 1 to 14, and 16 to 23, and Vote 39).

Vote 15, Class II., was postponed, and Vote 19 was considered, and further consideration postponed.

Mr. *Primrose*, C.S.I., Mr. *Edward W. Hamilton*, C.B., Sir *Charles L. Ryan*, K.C.B., General *Sankey*, Mr. *Stoneham*, and Mr. *H. Reader Lack*, were examined.

Draft Third Report, proposed by the Chairman,—brought up, and read the first and second time, and *agreed to*.

Question, That this be the Third Report of the Committee to the House,—put, and *agreed to*.

Ordered, To Report, together with Minutes of Evidence, and an Appendix.

[Adjourned till Wednesday, 19th June, at Two o'clock.]

Wednesday, 19th June 1889.

MEMBERS PRESENT :

Sir UGHTRED KAY-SHUTTLEWORTH in the Chair.

Mr. Arthur O'Connor.
Sir Richard Temple.
Sir Walter Barttelot.
Mr. Salt.

Mr. Wodehouse.
Mr. Jackson.
Mr. Barran.

Postponed Votes 15 and 19 of Class II. Civil Service Appropriation Accounts, 1887-88, were considered.

Vote 24 was postponed.

The

The remaining Votes were considered.

Classes III., VI., and VII., were considered.

Sir Charles L. Ryan, K.C.B., Mr. Edward W. Hamilton, C.B., Mr. Stoneham, Mr. Culley, Sir Hugh Owen, K.C.B., Sir William Henry White, C.B., and Mr. H. W. Primrose, C.S.I., were examined.

[Adjourned till Wednesday next, at Two o'clock.]

Wednesday, 26th June 1889.

MEMBERS PRESENT:

Sir UGHTRED KAY-SHUTTLEWORTH in the Chair.

Sir Walter Barttelot.
Mr. Sydney Buxton.
Mr. Wodehouse.
Mr. Barran.

Mr. Jackson.
Sir John Lubbock.
Mr. Arthur O'Connor.
Sir Richard Temple.

Postponed Vote 24 of Class II., Civil Service Appropriation Accounts, 1887-88, was considered.

Class IV., was considered.

Vote 11 of Class IV. was postponed.

Class V. was considered.

The Appropriation Accounts, 1887-88, of the Revenue Departments, the Consolidated Fund, Greenwich Hospital, Chelsea Hospital, Military Forces Localisation, Civil Contingencies Fund, Treasury Chest, and Woods, Forests, and Land Revenues, were considered.

Sir Charles L. Ryan, K.C.B., Mr. Edward W. Hamilton, C.B., Mr. T. D. Pigott, Mr. Patrick Cunin, C.B., Sir Francis B. Alston, K.C.M.G., Mr. Francis Round, C.M.G., and Mr. Algernon Turnor, C.B., were examined.

[Adjourned till Wednesday next, at Two o'clock.]

Wednesday, 3rd July 1889.

MEMBERS PRESENT:

Sir UGHTRED KAY-SHUTTLEWORTH in the Chair.

Mr. Sydney Buxton.
Sir Walter Barttelot.
Mr. Barran.
Mr. Salt.
Mr. Wodehouse.

Mr. Jackson.
Mr. Arthur O'Connor.
Sir John Lubbock.
Sir Richard Temple.

Postponed Vote 11, of Class IV.—Civil Service Appropriation Accounts, 1887-88, was considered.

The Navy Expense Accounts, 1887-88; The Army Manufacturing Accounts, 1887-88, were considered.

Postponed Vote 23 of the Army Appropriation Account, 1887-88, was considered.

Sir Charles L. Ryan, K.C.B., Mr. Edward W. Hamilton, C.B., Mr. Ryder, Mr. Craik, C.B., Mr. Gordon Miller, Mr. R. H. Knox, C.B., and Mr. Edward Stanhope (a Member of the House), were examined.

[Adjourned till Wednesday, 17th July, at Two o'clock.]

Wednesday, 17th July 1889.

MEMBERS PRESENT :

Sir UGHTRED KAY-SHUTTLEWORTH in the Chair.

Sir John Lubbock.
Mr. Sydney Buxton.
Sir Walter Barttelot.
Mr. Barran.
Mr. Wodehouse.

Mr. Salt.
Sir Richard Temple.
Mr. Jackson.
Mr. Arthur O'Connor.

DRAFT REPORT proposed by the Chairman, brought up, and read the first time, as follows:—

“ ARMY APPROPRIATION ACCOUNT.

“ SURPLUS.

Q. 1662.

“ THE Account shows the large sum of 779,808 *l.* 18 *s.* 1 *d.* as a surplus. But this is more apparent than real, since of the total amount 575,000 *l.* was saved on the Store Vote, and nearly the whole of this saving was due to the fact that the Arsenal and the contractors proved unable to supply within the year the amount of Naval Stores which had been expected.

“ MAINTENANCE OF LOCAL FORCE AT SUAKIM.

Public Accounts Committee, Second Report, 1888, p. xli.

Q. 1667.

“ 2. The Committee of Public Accounts last year reserved their opinion, pending investigation of the subject by the Treasury, on a transaction which had resulted in a larger contribution out of Imperial funds towards the military expenses of the Egyptian Government in 1886-87 than had been stated to Parliament when the claims of the Egyptian Government were settled. Your Committee are now informed that the value of the stores which had thus increased the contribution has proved less than had been supposed, amounting to 14,454 *l.* The fact that stores to such an amount had been provided should have been communicated to the Treasury, so that this might have been taken into consideration in settling the claims of the Egyptian Government.

“ PAYMENTS BY INDIA FOR HOME EFFECTIVE CHARGES.

Q. 1680-1699. 2756.

“ 3. Your Committee have again to report that the basis on which the Indian Government should pay for the Home Charges has not yet been decided, although progress has been made by the Committee which for several years has been considering the question, and hopes are entertained of further advance before the end of this Session.

“ INDIAN NON-EFFECTIVE CHARGES.

“ 4. The Indian Non-Effective Charges for 1887-88 remain unsettled, as the actuarial calculations are still under consideration at the India Office.

“ VOTE 1.—PAY OF CHIEF PAYMASTER IN EGYPT.

Q. 1712-1735.

“ VOTE 19.—SUB-HEAD B.—MILITIA QUARTERMASTERS' RETIRED PAY.

“ VOTE 23.—SUB-HEAD A.—DISABILITY PERMANENT PENSIONS.

1876-1880.
1920-1938.

“ 5. On the Votes above enumerated questions arose as to the proper interpretation of Royal Warrants. The question which arose on Disability Permanent Pensions was specially brought to the notice of the Comptroller and Auditor General by the Treasury, because of the claim made by the Secretary of State, Mr. Stanhope, to apply his undoubted power, as ‘the sole administrator and interpreter’ of Royal Warrants, in such a manner as practically to withdraw from the Treasury its control over expenditure consequent on his interpretation of a Royal Warrant. It appears that the present Law Officers of the Crown had been consulted on a previous difference between the Treasury and the War Office, and had given an opinion dated 21st December 1887 that the Secretary of State’s interpretation of a Royal Warrant was binding on the Treasury.

“ Nevertheless

"Nevertheless your Committee feel bound to call attention to the fact that the claim, if conceded to the extent apparently desired, would have relieved the War Office from financial control to an extent without precedent in the position of other Departments, the Admiralty for example, in relation to money voted by Parliament.

"Your Committee received evidence from Mr. Stanhope, who stated fully the view for Q. 2768. which he has contended.

"The importance of maintaining the Secretary of State's interpretation of Royal Warrants as final is recognised by your Committee, subject always to the conditions from Q. 2777. time to time defined by the Public Accounts Committee, and to the constitutional control that must be exercised by the Treasury over departmental proceedings leading to expenditure of voted money, and subject also to the statutory powers of the Comptroller Q. 2781, 2. and Auditor General, to which your Committee do not refer more fully because they have not been called in question.

"Mr. Stanhope, having pointed out that to appeal to the Treasury upon questions of Q. 2792. minor importance would be exceedingly inconvenient, said that he had exercised his power with great diffidence, and had been reluctant to exercise it where he thought that there was any doubt.

"The Treasury does not ask that it should be consulted on every question of interpretation, certainly not on petty or trivial points, but only where there is a doubt, involving a question of material increase in public expenditure. Q. 2778 and 1763.

"Your Committee trust that a practical settlement of the difference between the Treasury and the War Office may be found if the Secretary of State, recognising the expediency of consulting the Treasury in all cases of financial importance, in which a material increase of expenditure would result from the interpretation proposed to be placed on a Royal Warrant, were not to give his formal decision on its meaning until the Treasury had been afforded an opportunity of stating its view.

"VOTE 6.—YEOMANRY CAVALRY.

"6. In connection with certain relaxations of the regulations under which yeomanry Q. 1737. pay has been issued, the Treasury claims that modifications which tend in any material Q. 1763. degree to increase the public expenditure should be submitted to it before the regulations are thus changed. Your Committee trust that the War Office will recognise that it is for the public interest that this claim should be admitted. The necessity for consulting Q. 1773. the Treasury on a temporary relaxation or variation of conditions of pay is not disputed. The importance of Treasury sanction seems even greater when such a change is intended to have permanent effect.

"VOTE 12.—SUB-HEAD D.—WAGES, MANAGER AND ASSISTANT MANAGERS.

"7. The pay of a manager and of assistant managers receiving 6*l.* 10*s.* a week, is included under the head of wages. The superintendent of a factory seems now to have Q. 1793. power to appoint such persons, and decide what pay they shall receive. Your Committee were informed that the Secretary of State thinks that there should be some limits as to Q. 1794. their rates of pay. Formerly, when managers and assistant managers were permanent officers, their salaries were approved by the Treasury, who should, in your Committee's opinion, have a voice in determining the limits of expenditure for servants receiving such high remuneration, whether in the form of salary or weekly wages.

"VOTE 13.—HALF COST OF DEFENCES AT ADEN.

"8. The Imperial Government undertook to share the cost of the special defence works Q. 1812. at Aden equally with the Indian Government. The amount voted for 1887-88, 26,000 *l.*, has been paid without requiring vouchers or a statement under specified heads of the total cost of the works up to a certain date.

"Your Committee recommend that in cases of this kind the War Office should obtain such a statement, and furnish it to the Comptroller and Auditor General.

"9. Your Committee elicited from the Accountant General of the War Office that the share borne by the Imperial Government for the year in question, viz., 26,000 *l.*, was far in excess of half the expenditure. They feel bound to dissent from his view that this is of no consequence. They hold that, in the case of an agreement to pay half the cost of Q. 1827. 1863. works extending over a long time, the periodical payments should approximate as closely as possible to half the cost incurred, and should be met by equal payments from the other contracting party.

"VOTE 15.—SUB-HEAD C.—REWARDS TO INVENTORS.

"10. Your Committee recommend that the Appropriation Accounts should annually Q. 1865-1868. contain a statement showing in detail the amounts paid to various inventors.

" VOTE 19.—SUB-HEAD C.

Army Appropriation
Account, 1887-88,
pp. 207-210. L., L. 11.

" 11. Correspondence consequent on the award of retired pay to a Staff Paymaster and of a Chelsea pension has been printed in the Appropriation Account. In both cases objection was taken by the Comptroller and Auditor General to awards which appeared to confer the combined benefits of two or more Royal Warrants. Your Committee hold that, unless one Warrant purports expressly to amend the other, they cannot be read together so as to increase the amount of a payment which one Warrant, read alone, would authorise.

. 1881.

" This view seems now to be accepted by the War Office.

" STORE ACCOUNTS OF THE ARMY.

" ORDNANCE STORE ACCOUNTS.

Q. 1964.

" 12. The Ordnance Store Accounts should be rendered to the Comptroller and Auditor General with much less delay. Your Committee received an assurance from the Accountant General of the War Office that an improvement may certainly be introduced, so that the accounts will be ready at a very much earlier date.

" CONDITION OF STORES.

Army Appropriation
Account, p. 226,
para. 6. Q. 1982.

" 13. Your Committee agree with the Comptroller and Auditor General that it is of great importance that the Store Accounts should distinguish between stores actually serviceable and those partially or wholly unfit for immediate service.

" SALE OF STORES.

Q. 2000-2009.

" 14. The general rule that stores should not be sold otherwise than by auction or public tender is one that should be as strictly observed as may be consistent with obtaining the best return. Any sales which it may be necessary to effect outside that rule should be under the sanction and control of strict regulations. Your Committee were assured by the Accountant General of the War Office that such conditions will be fulfilled in all sales under the new system.

Q. 2010-2012.

" STORE ACCOUNTS OF THE NAVY.

" NON-EXAMINATION OF STOREKEEPERS' ACCOUNTS BY DIRECTOR OF STORES.

Public Accounts Com-
mittee, Second Report,
1888, p. xix.

" 15. The Public Accounts Committee last year reported that the important question of the sufficiency or otherwise of the examination which the storekeepers' accounts receive had been referred to a Committee consisting of Mr. Mills (then Treasury Officer of Accounts, but now Assistant Comptroller and Auditor), and Mr. Waterhouse, of the firm of Price, Waterhouse & Co.

Q. 1187.
Q. 2709.
Appendix.

" The further Report of that Committee was handed to your Committee on the 3rd July by the Treasury, with a Treasury Minute of the 2nd July. Both are printed in the Appendix.

Q. 2711-2713.

" The question above mentioned appears now to have been settled by that Report, which on this point is practically accepted by the Treasury and the Admiralty.

" Under these circumstances your Committee do not enter more fully upon this subject.

" EXCESSIVE ISSUES TO SHIPS.

Q. 1146.
Appendix.

" 16. Hitherto the storekeeper has been bound to exercise an independent check on the demands for stores made by captains of ships. Although, doubtless, the responsibility for making a correct demand should rest on the captain, who alone can ascertain the quantity of remains in the ship, and although there should be no undue delay in supplying stores, your Committee share the doubt of the Comptroller and Auditor General whether it is expedient to part with this check, the value of which he explained in his evidence. The point deserves careful reconsideration at the Admiralty.

Q. 1147, 8.
Q. 1189.

" DENOMINATION OF STORES.

" 17. The Admiralty admit that stores should not be bought by weight, and taken on charge under another denomination, such as capacity, or *vice versa*, where this inconvenience can be avoided. Where that is impossible, your Committee were assured that a scale would as a rule be furnished to enable the Comptroller and Auditor General to convert the one denomination readily into the other.

Q. 1192, 3.

" 18. Your

"IRREGULAR RECEIPTS.

"18. Your Committee learn that the irregular practice of receipting issue notes before the stores are issued, and leaving such receipts with the storekeeper when from any cause the stores are not issued, has been stopped. Your Committee trust that the Admiralty will take care that their instructions on this subject are obeyed in future. Q. 1343.

"STORE LEDGERS AT FOREIGN YARDS.

"19. Both on the Store Accounts of the Navy and on the Dockyard Expense Accounts this year, and on more than one previous occasion, attention has been called by the Comptroller and Auditor General to the unsatisfactory mode in which accounts are kept at some of the foreign yards. At certain yards, for example, no duplicate ledgers are kept, and no independent check on the account consequently exists. He reports that at some yards particular ledgers are not totalled and balanced once in every quarter. Your Committee are glad to learn that the Admiralty have taken steps to investigate the system of accounts and administration of foreign yards. Q. 1347.

Navy Appropriation Account, 1887-88, p. 207 para. 9. Q. 2727, 8.

"STORES AT MALTA.

"20. Reports of the Comptroller and Auditor General on apparently excessive stocks of 'iron superior,' steel, electro-plated goods, &c., at Malta, lead your Committee to recommend that the stores at Malta should be carefully reviewed, so as to prevent unnecessary accumulations.

Navy Appropriation Account, 1887-88, p. 2 and 309, paras. 10 and 17. Q. 1374. 1337. 1322. Appendix.

"STOCKTAKING, HOME AND FOREIGN YARDS, AND VICTUALLING YARDS.

"21. The Comptroller and Auditor General has again pointed out the necessity of securing that the persons by whom stock is taken at any yard should be unconnected with that yard, and in an independent position. The consideration of this important question by the Admiralty, in accordance with the Public Accounts Committee's recommendation, is still proceeding.

Navy Appropriation Account, 1887-88, pp. 208-9, 213, paras. 12. 20. Q. 1336. Q. 1588. 1611. Second Report, 1888, p. xx.

"STORE ACCOUNTS AND SURVEYS ON SHIPS.

"22. Your Committee concur with the Comptroller and Auditor General in doubting whether accounts or surveys relating to stores on board Her Majesty's ships possess much value, so long as they are characterised by the inaccuracies to which he directs attention.

Navy Appropriation Account, 1887-88, pp. 211, paras. 15 and 17. Q. 1391. 1477. 1431. Appendix.

"ISSUE OF STORES IN BULK.

"23. The issue of stores in bulk is a practice which, though necessary in certain cases which were explained to your Committee, should be restricted to those cases, and regulated by definite rules.

Q. 1634. 1652-7.

"DOCKYARD EXPENSE ACCOUNTS AND MANUFACTURING ACCOUNTS OF ARMY AND NAVY.

"24. Time has not sufficed for more than a very limited test examination of the Navy Expense and Manufacturing Accounts, and the Comptroller and Auditor General states that his Report is the result more of general review and criticism than of strict audit. Next year the Expense Accounts will be affected by the alteration in the form of the Estimates for 1888-89 (Vote 8), on which the Public Accounts Committee reported last year. And in 1891 these Accounts will have to conform to this year's Estimates, containing the new Vote, Vote B., upon the form of which your Committee have already reported. Q. 2714.

Report on the Navy Expense Accounts, 1887-88, p. 213, para. 3. Public Accounts Committee, Third Report, 1888, para. 27. Public Accounts Committee, Second Report, 1889.

"25. In accordance with the announcement made in the Treasury Minute of 13th March 1889, on the First and Second Reports of the Public Accounts Committee of last year, a Bill has been introduced on behalf of Her Majesty's Government, and has been read a third time, 'to make provision for the audit of the Manufacturing and Shipbuilding and other like Accounts of the Army and Navy.'

Appendix to Third Report, p. 56, para. 43.

"The advantage of subjecting the Expense Accounts to the criticism of the Comptroller and Auditor General was dwelt upon by the Public Accounts Committee last year; and your Committee observe with satisfaction that he will receive statutory authority for this duty, with regard to the Army and Navy Accounts alike. The Army Manufacturing Accounts have not hitherto been examined and reported upon."

Public Accounts Committee, Second Report, 1888, p. xxi.

Q. 2752.

“DOCKYARD EXPENSE ACCOUNTS.

“ VALUATION OF STOCK REMAINS.

Q. 2713. “26. Your Committee are glad to note the great improvement shown in the accuracy of the valuation of stock-remains at the close of the year 1887-88.

Q. 2714. “27. An oversight was found in the Chatham Accounts, the value of stock-remains being understated to the extent of 2,505 l. Your Committee are informed that this error has been going on at Chatham since 1879; but that the Admiralty have ascertained that similar errors do not exist at other Yards.

“ MANUFACTURING ACCOUNTS.

Q. 2725. “28. Important questions have been raised on the Manufacturing Accounts by the Comptroller and Auditor General respecting the Conversion Balance Sheets and the General Expenditure in conversion shops, but are still undergoing investigation.

“ FOREIGN YARD ACCOUNTS.

Para. 19 *supra*.
Q. 2727-8. “29. On the Store Accounts of the Navy your Committee have already mentioned that the Foreign Yard Accounts, with which the Admiralty are not altogether satisfied, are to be the subject of a special investigation.

“ VICTUALLING YARDS ACCOUNTS.

“30. It appears that, at the present time, no Expense or Manufacturing Accounts are rendered in connection with the victualling yards.

“Your Committee are of opinion that some Accounts of this nature should be rendered in future, but not necessarily in so elaborate a form as those of the Shipbuilding Dock-yards.

“CIVIL SERVICE APPROPRIATION ACCOUNTS.

“ STATEMENTS OF TOTAL AND NET COST.

Public Accounts Committee, First Report, 1879.
Q. 227.
Second Report, 1879, para. 35. “31. Returns of the total cost of each Service have appeared in the Appropriation Accounts annually since the Public Accounts Committee suggested, in 1879, that the total cost of each Service might be shown. A recommendation of the Treasury in 1880 resulted, with the approval of the Public Accounts Committee, in the addition of Returns of the Net Cost of each Service.

Civil Service Accounts, 1887-88, p. v, Section 5. “The Comptroller and Auditor General, in reporting that he has this year furnished these Returns in an abstract statement at the end of each class of the Accounts, raised the question of their utility, pointing out that they ‘are necessarily in the nature of Estimates formed by the various Departments of the expenditure for other Departments, and thus differ wholly in character from the verified figures’ to which he certifies.

Q. 2036.
Q. 2037-8. “It was represented to your Committee, however, on the part of the Treasury, that these statements are valuable, and that such a record is needed of the approximate total and net cost year by year of each service.

Report, 1880.
Q. 2043. “In 1880 the Public Accounts Committee were aware that absolute accuracy would not be possible; and although this cannot be attained, your Committee hope that the statements will be continued in the new form, with any modifications which may be agreed upon between the Comptroller and Auditor General and the Treasury.

“ CLASS I.

“ VOTE 13.—SURVEYS OF THE UNITED KINGDOM.

Civil Service Appropriation Accounts, 1887-88, p. 57, para. 2.
Q. 2070. “32. Your Committee are glad to note a further reduction of the balance outstanding for maps supplied to Land Judges’ Court, Ireland: but it still amounted, on 31st March 1888 to 12,283 l. 6 s. 9 d.; and the evidence given to your Committee shows that, of the balance on 30th September 1888, as much as 4,903 l. had been due for three years or more.

“ CLASS II.

“ VOTE 8 (1884-85).—PRIVY SEAL OFFICE (1884-85).

Q. 2149. Public Accounts Committee, Second Report, 1888, p. iv, Appendix to Third Report, 1889, pp. 3, 17. “33. Your Committee are satisfied with the settlement of the outstanding question referred to in last year’s Report. This is fully explained in the Treasury Minute dealing with that Report.

“34. The

" VOTE 8.—BOARD OF TRADE.

" 34. The Comptroller and Auditor General reported a sum of 2*l.* 4*s.* 3*d.* as not properly chargeable to this Vote, owing to the absence of Treasury sanction. This has since been given, and the balances may stand as stated in the account. Q. 2154.

" VOTE 12.—EXCHEQUER AND AUDIT DEPARTMENT.

" 35. Last year the Public Accounts Committee stated that the Comptroller and Auditor General would make some proposal which would have for its object the association with himself of an officer outside the Department to audit its accounts. Having considered various suggestions, your Committee recommend that the Auditor of the Civil List be associated with the Comptroller and Auditor General in the audit of the accounts of this Department. Second Report, 1888, p. iv, Civil Service Appropriation Accounts, 1887-88, p. 139.

" VOTE 14.—LAND COMMISSIONERS FOR ENGLAND.

" 36. A complete return of the amounts due to the Land Commissioners up to March 1888 in respect of advances will be found in the evidence. It shows a total of 10,759*l.* 0*s.* 10*d.*, including 7,062*l.* 14*s.* 4*d.* advanced under the Extraordinary Tithe Redemption Act. Q. 2168.

" VOTE 15.—LOCAL GOVERNMENT BOARD.

" 37. The Comptroller and Auditor General called attention in his Report on the Account of the Local Government Board to the expenditure of 22,705*l.* 4*s.* 10*d.* under the various sub-heads of the Vote which provide for travelling, and enumerated under several heads the chief causes of what he regarded as excessive expenses. These points have been taken up by the Local Government Board in a thorough manner, which leads the Comptroller and Auditor General to anticipate considerable economies. Civil Service Appropriation Accounts, 1887-88, pp. 148-9. Q. 2191-2199. Q. 2200.

" VOTE 25.—OFFICE OF WOODS, FORESTS, &c.

" 38. An irregularity in the case of two copyists, to whom work has been farmed out, has now been discontinued. The regulation, requiring a certificate that a payment made to a copyist is for work which he has done himself, should be strictly enforced. Q. 2207-8.

" VOTE 27.—MERCANTILE MARINE FUND.

" 39. The unsatisfactory state of the Mercantile Marine Fund, in aid of which a sum of 40,000*l.* is annually granted by Parliament, has been noticed by the Public Accounts Committee in its Report for 1887 and 1888. A balance to the credit of the Fund fell from 429,000*l.* in 1884 to 110,000*l.* in 1886, and was followed by a deficiency of 156,980*l.* in 1887. This was subsequently reduced to 98,000*l.*, and your Committee learn that, owing to an increase of the light dues by one-sixth, and to certain economies, the estimated deficiency for the year 1888-89 is about 5,000*l.*, and that a Treasury Committee is now sitting which will shortly report on this Fund. Public Accounts Committee, Report, 1887, para. 31. Report 1888, p. 4. Q. 2218, 9. Q. 2222, 3.

" 40. In consequence of the Comptroller and Auditor General's objection to the inclusion in this account of charges which the Board of Trade has not sanctioned, and is prepared to withdraw, questions arose before your Committee as to the proper mode of showing unsanctioned items still disputed by the Board of Trade when the account is sent to the Comptroller and Auditor General. Q. 2251-4, 2290.

" He also called attention to the form in which the account is presented, and the importance of bringing all the receipts and expenditure in a clear and satisfactory manner under the notice of Parliament. Civil Service Appropriation Accounts, 1887-88, pp. 182, 3, paras. 6 and 10. Q. 2306.

" The Treasury undertook to consider how the form of the account may be improved. Q. 2276. 2304.

" CLASS III.

" VOTE 3.—SUPREME COURT OF JUDICATURE.

" 41. Objection was taken by the Comptroller and Auditor General to the expenditure of 3,000*l.* in respect of the salaries of five officers described as 'redundant clerks.' They had received their full salaries for some years, while performing no duties, though they were liable to be called upon to perform work if required. It appeared that the Treasury had sanctioned, in 1880, an arrangement for the formation of a list of redundant clerks not exceeding six in number, but that there are now none of those redundant clerks, of whom two died and three are on pension. Under these circumstances your Committee can only hope that such arrangements are not likely to be made in future. Appropriation Accounts, 1887-88, p. 252, para. 2. Q. 2350. Q. 2354. Q. 2358.

“ VOTE 12.—PRISON CHARITIES.

“ 42. Satisfactory progress is being made respecting the schemes for certain prison charities.

“ VOTE 30.—CONSTABULARY.

“ 43. The reasons given by your Committee in their First Report for admitting payments for the salaries of officers formerly called ‘ divisional magistrates ’ apply also to a sum of 225*l.* included in the Constabulary Vote. The surplus to be surrendered may, therefore, be the amount stated in the account.

“ CLASS IV.

“ VOTE 1.—PUBLIC EDUCATION (ENGLAND AND WALES).

“ 44. The suggestion made by the Public Accounts Committee last year, that 100 school schedules, with the necessary back numbers, should be furnished to the Comptroller and Auditor General, has been acted upon. Your Committee desire that the experiment should be repeated during the next year or two, until your Committee have had more opportunities of judging how far, under regulations which have been altered and seem likely to undergo further change, the schedules are now valuable for purposes of audit.

“ 45. In the case of a grant for a cookery class at a Hackney board school, there appeared at first a discrepancy as to the number of scholars, between the statement of the managers and the report of the Inspector, upon which payment was made. The Comptroller and Auditor General asked for an explanation. The answer given did not convey any intelligible explanation; nor was the reply to a second query any better, while its tone and form were unusual. Proper explanations of the discrepancy, which proved to have been apparent only, were given in evidence to your Committee; and the sum paid may consequently be admitted as a proper charge on the Vote.

“ Your Committee trust that full and clear information will, in future, be cheerfully given in response to all inquiries made by the Comptroller and Auditor General.

“ 46. A grant was paid to a school in Whitechapel, although the time-table had not been signed and was not approved. The following condition was attached to the payment: that ‘ If the payment of the said sum shall be reported by the Comptroller and Auditor General to be an irregular and improper payment, and his decision shall be sustained by the House of Commons, ’ the amount shall be repaid by the committee of managers.

“ The responsibility should not, in the opinion of your Committee, be thrown on the Comptroller and Auditor General of discharging duties which are either those of the Department which makes the payment or those of the Treasury, to whom the Department should apply in a case where the authority to make the payment is doubtful.

“ Under all the circumstances of this case the technical objection to the payment may be waived, and it may be admitted as a proper charge on the Vote.

“ VOTE 11.—PUBLIC EDUCATION, SCOTLAND.

“ 47. The Comptroller and Auditor General raised a question as to the propriety of treating as income payments to school-managers for books becoming the property of children. Strictly speaking these are repayments for money advanced by the managers, and are not income. But as the evidence shows that there would be practical inconvenience in excluding these payments from the managers’ statement of income, your Committee recommend that the objection should not be pressed.

“ CLASS V.

“ CLASS VI.

“ VOTE 1.—SUPERANNUATION AND RETIRED ALLOWANCES.

“ 48. Seeing that the question of the payments to the officers till lately called ‘ divisional magistrates ’ has been settled, in the manner already reported by your Committee, the pension to Captain Antoine Butler may be approved, and the charge against the Vote allowed.

“ 49. Sir John Kirk, late Agent and Consul General at Zanzibar, has been pensioned on his entire service, although during part of the time he was paid by the Indian Government wholly or in part. The circumstances are special; and your Committee consider that he has a strong moral claim to the full pension, which may therefore be allowed.

“ 50. Mr.

Public Accounts Committee, Second Report, 1888, p. 5.
Q. 2361, 2.

First Report, 1889, para. 3-6.
Q. 2365.

Public Accounts Committee, Second Report, 1888, p. vii.
Civil Service Appropriation Accounts, 1887-88, p. 357, para. 2.

Q. 2450.

Q. 2457.

Q. 2458-2460.

Q. 2459-5.

Q. 2461.

Q. 2442.

Q. 2472.

Civil Service Appropriation Accounts, 1887-88, p. 338, para. 4.

Q. 2469.

Q. 2486.

Q. 2662-2677.

First Report, 1889.

Q. 2370-3.

"50. Mr. Irving, late Resident Councillor at Penang, has been granted a superannuation allowance at the age of 56. Your Committee have to report that this appears to be an illegal payment. An error was apparently committed, as such an officer is not qualified under Section 10 of the Superannuation Act of 1859 for a pension until he attains the age of 60. Q. 2397, a.

"CLASS VII.

"VOTE 4.—CELEBRATION OF THE JUBILEE OF HER MAJESTY'S REIGN.

"51. On occasions of great public ceremonies a practice has prevailed of employing a certain firm to make the necessary preparations. Your Committee recommend that tenders should, as far as possible, be invited from more than one firm on such occasions. Q. 2406-a.

"REVENUE DEPARTMENTS.

"VOTE 2.—INLAND REVENUE.

"52. The Comptroller and Auditor General advises that in all cases in which losses by fraud have been written off, particulars should be appended to the Appropriation Account. Your Committee trust that these particulars will annually be brought under the scrutiny of the Exchequer and Audit Office. Q. 2558, a.

"VOTE 3.—POST OFFICE.

"53. The question of the limits within which the Postmaster General should be free to substitute unestablished for established labour in the work of sorting parcels should be considered by the Treasury. Q. 2567, 2576-a.

"VOTE 5.—POST OFFICE TELEGRAPHS—STORE ACCOUNTS.

"54. There appears to be a tendency to lose sight of the regulations providing for periodical stock-taking of all stores. The importance of this form of check should not be forgotten. Q. 2620.

"LOCAL LOANS FUND.

"55. In his Report on the first account of the Local Loans Fund the Comptroller and Auditor General criticises the practice of the Irish Board of Works in giving time to borrowers in case of payments in arrear, before instituting proceedings, as hardly coming within the discretion of that department. But he gives credit to the Board of Works and their legal advisers for increasing activity in the collection of the amounts due. There seems to be reason to anticipate that the laxity which formerly prevailed will not be continued in future. Local Loans Fund Accounts, 1887-88, pp. 18, 19. Q. 2699, 2706-a.

"CONSOLIDATED FUND.

"GREENWICH HOSPITAL.

"CHELSEA HOSPITAL.

"TREASURY CHEST.

"WOODS, FORESTS, &c.

"CIVIL CONTINGENCIES.

"MILITARY FORCES LOCALIZATION."

Question, That the Draft Report be read a second time paragraph by paragraph,—put, and *agreed to*.

Paragraphs 1—2, *agreed to*.

Paragraph 3, *postponed*.

Paragraph 4, *agreed to*.

Paragraph 5, amended, and *agreed to*.

Paragraphs 6—7, *agreed to*.

Paragraph 8, amended, and *agreed to*.

Paragraphs 9—11, *agreed to*.

Paragraph 12, amended, and *agreed to*.

Paragraphs 13—24, *agreed to*.

Paragraph 25, amended, and *agreed to*.

Paragraphs 26—36, *agreed to*.

Paragraph 37, amended, and *agreed to*.

Paragraph 38, *agreed to*.

Paragraphs 39—41, amended, and *agreed to*.

Paragraphs 42—46, *agreed to*.

Paragraph 47, amended, and *agreed to*.

Paragraph 48, *agreed to*.

Paragraphs 49—50, amended, and *agreed to*.

Paragraphs 51—54, *agreed to*.

Paragraph 55, amended, and *agreed to*.

Postponed paragraph (3), considered, and *agreed to*.

Question, That this Draft Report, as amended, be the Fourth Report of the Committee to the House,—put, and *agreed to*.

Ordered, To Report, together with Minutes of Evidence and Appendix.

MINUTES OF EVIDENCE.

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MINUTES OF EVIDENCE.

Wednesday, 8th May 1889.

MEMBERS PRESENT :

Mr. Barran.
Sir Walter Barttelot.
Mr. Sydney Buxton.
Mr. Jackson.
Sir Ughtred Kay-Shuttleworth.

Sir John Lubbock.
Mr. Arthur O'Connor.
Mr. Salt.
Sir Richard Temple.
Mr. Wodehouse.

SIR UGHTRED KAY-SHUTTLEWORTH, BART., IN THE CHAIR.

NAVY APPROPRIATION ACCOUNT.

MR. EDWARD W. HAMILTON, C.B., SIR CHARLES LISTER RYAN, K.C.B., and
MR. G. L. RYDER, re-called ; and further Examined.

STORE ACCOUNTS OF THE NAVY.

MR. W. P. G. GILBERT, re-called ; and further Examined.

On Paragraphs 1 and 2 of the Report of the Comptroller and Auditor General.

OUTSTANDING QUESTIONS, 1886-87.

Chairman.

1137. (To Sir C. L. Ryan.) I OBSERVE that certain of the outstanding questions which are mentioned in the first and second paragraphs of the Comptroller and Auditor General's Report remain for further consideration, pending the final Report from Messrs. Waterhouse and Mills; can you inform the Committee how soon that Report is likely to be in our hands?—I am authorised by Mr. Mills to say that the Report will be in your hands he hopes within a month from this time.

1138. (To Mr. Gilbert.) It will perhaps be more convenient to postpone the consideration of that first paragraph till that Report is before us, and with regard to the first sub-section of paragraph 2 it will be more convenient to ask the questions when we arrive at paragraph 11. As to the 2nd sub-section of paragraph 2, certain recommendations were made by the Comptroller and Auditor General in his Report last year, and the Admiralty expressed their willingness to take those recommendations into consideration; has anything further been done with respect to settling the conditions under which losses and deficiencies of stores should be written off?—I am not aware of anything; the rule is that any irregularity, or unnecessary expenditure, is

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Chairman—continued.

brought to the notice of the Board for instructions.

1139. The suggestion of the Comptroller and Auditor General was, that abstract statements of deficiencies in stocktaking with their value should be periodically laid before the Board of Admiralty, and in the event of the Board giving orders for the adjustment of the differences, the covering sanction of the Treasury should be obtained, and that those statements should be transmitted to the Comptroller and Auditor General for the purpose of enabling him to inform Parliament as to the value of the stores which have been written off in the course of each financial year, and the authority on which the adjustment have been made; has that suggestion been considered by the Admiralty?—That proposition is now under the consideration of the Board of Admiralty, but no decision has been come to upon it. I believe the decision will be communicated very shortly to the Treasury.

1140. There is also another outstanding question as to the amount of authority to be delegated to the Director of Victualling in the matter of the reserves to be maintained; has any decision been come to on that point?—That is a question which the Director of Victualling would be better able to answer than I am.

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8 May 1889.]

Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., Mr. RYDER,
and Mr. GILBERT.

[Continued.]

NAVY APPROPRIATION ACCOUNT.

Store Accounts of the Navy, &c.—*continued.*

Mr. H. F. R. YORKE, re-called; and further Examined.

Chairman.

1141. CAN you say whether any decision has been come to on the question as to the amount of authority to be delegated to the Director of Victualling in the matter of the reserves to be maintained?—Since the Report of the Comptroller and Auditor General I have received instructions which, I think, clearly define the amount of authority delegated to me in that matter. Shall I lay those instructions before the Committee.

1142. Perhaps it would be as well to put them in?—The Paper contains the instructions (*handing in the same*).

1143. (To C. L. Ryan.) Have you had these instructions before you?—No, I have not. (Mr. Gilbert.) I think it is proposed to send those instructions to the Treasury shortly.

1144. (To Mr. Ryder.) Have they been before the Treasury?—They have not been before the Treasury yet.

On Paragraph 4.

DOCKYARD STORE ACCOUNTS.

ISSUES TO SHIPS IN EXCESS OF
ESTABLISHMENT.*Chairman.*

1145. (To Mr. Gilbert.) The Comptroller and Auditor General calls attention to several instances in which the issues to ships have been in excess of the quantities allowed by their establishments. The issues by the storekeepers are made, as he explains, upon demands received from the ships setting forth the quantities allowed by establishment, the quantities in hand, and the quantities required to complete, which should be the difference between the two; but he reports that larger supplies have been obtained from the dockyards than the ships were entitled to receive in consequence of the quantities in hand being stated at less than they really were; can you give any explanation as to that?—I think in a few cases that the demands did show remains smaller, than were really on board; but the storekeepers check referred to by the Exchequer and Audit Department would not detect that. The storekeeper would not be in a position to know what the actual remains are on board if a misrepresentation of the remains were made by the officers of the ship; but that would be detected afterwards by the Admiralty check, which embraces the actual remains.

1146. Then it appears that the Admiralty have some intention of relieving the storekeepers altogether from the duty of checking the demands

Chairman—continued.

which they receive, and to fix the sole responsibility upon the captains of the ships; why does the Admiralty propose to relieve the storekeepers from this duty of checking?—Chiefly in order to expedite the supply of stores. It is very often very inconvenient if supplies are delayed, owing to the examination of the demands in the office. Moreover, the check of the storekeeper has, I fancy, been understood by the captains as relieving them of the responsibility; they have relied rather upon the storekeeper's check, and have not had the demands examined for themselves.

1147. Have you much confidence that the captains will very carefully check the demands made at the instance perhaps of subordinate officers, and that they will satisfy themselves that the remains are as they are represented to them?—I think that now that the forms have been revised with a view to making the accounts more clear, and enabling the captain and the other controlling officers on board to examine the accounts, there is every reason to think that they will examine them. At any rate I think it is certainly worth making the experiment in the interests of the service; to prevent delay in the supply of stores, it is very important that we should accept the demands from the ship if possible.

1148. You put it upon that ground, then?—Chiefly.

1149. You do not dispute the information given to us by the Comptroller and Auditor General, that cases have come under his notice in which "the independent check of the storekeeper has resulted in the correction of inaccurate demands, and has operated favourably in the interests of public economy"?—The check of the storekeeper has not resulted in the detection of a misrepresentation of the quantities stated to be on board; if that is what is meant, I dispute that. But I take it that the Exchequer and Audit Department mean that the examination of the storekeeper has had some profitable result in a case where, admitting the figures on the face of the demand to be correct, there is a miscalculation; but the storekeeper's check could not detect a misrepresentation of the quantity stated to be on board. That can only be done at the Admiralty afterwards.

1150. That is only one point that would need to be checked. As regards the amount of demand made, as to its being too great a demand for instance, you admit, do you not, that the check of the storekeeper has resulted in economy?—I do not know that it would result in economy; but it has resulted in reducing the quantities to be issued.

1151. Is

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Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., Mr. RYDER,
Mr. GILBERT, and Mr. YORKE.

[Continued.]

NAVY APPROPRIATION ACCOUNT.

Store Accounts of the Navy, &c.—*continued.**Chairman—continued.*

1151. Is not that the same thing?—Not quite, because if they took an excessive quantity at one time, they would know that they would have to account for the excessive quantity, and it would not follow necessarily that they would use more in consequence.

1152. Where a captain has an excessive quantity of certain stores in a ship, does not that result, in your experience, in waste?—Not necessarily, because they know from experience that their accounts are examined at the Admiralty; and if there is an undue expenditure of stores, they are called upon to account for it.

1153. Does not that mean that, for example, a larger amount of stores will remain when the ship is put out of commission, and perhaps those stores will have to be sold at a loss?—It would not necessarily be so, because if on the demand, say in June, they obtained more than they should, then in the demand in the following January they would obtain less; it would adjust itself in that way; assuming, that is, that they were not wilfully misrepresenting their stock.

1154. You say that it would not necessarily result in waste, but might it not result in waste?—I do not think it would.

1155. Would not the stores deteriorate; take biscuits, for instance; if they made too large a demand for biscuits, would they not deteriorate?—Biscuits are not included in the naval stores, which we are dealing with here; they would come under victualling. The naval stores embrace all the stores for the Navy, excluding seamen's clothing or provisions.

1156. Among those stores I assume there would be many stores which would be liable to depreciation in value, would there not?—Not in six months, I think, speaking generally.

1157. Supposing within six months the ship was out of commission, and had to be emptied of all stores in it, what would happen?—Then they would have to land all that they had on board.

1158. You do not think that there would be any loss?—I do not think so. If it were the system to make excessive issues there might be loss; but it is admittedly a very exceptional thing.

1159. (To Sir C. L. Ryan.) Perhaps you would like to amplify what you have said in your Report upon this point?—I think I should only wish to add to it this; in dealing with this question of stores, the principal part of my duty is to ascertain whether there are regulations, and whether the regulations are fully observed. Any change in the regulation which seems to point in the direction of weakening the check on stores, and so on, is such as I should feel it my duty to call attention to. I think that the advantage of so doing in my Report is, that this Committee can hear fully from the Admiralty the reasons which have caused them to make the change; and I confess, so far as I have been able to follow the reasons, I do not think that they

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NAVY APPROPRIATION ACCOUNT.

Store Accounts of the Navy, &c.—*continued.**Chairman—continued.*

are quite sufficient for the purpose. The only advantage which accrues is the possibility of supplying the stores at an earlier date or more quickly. The check by the storekeeper, which was very often an arithmetical check, was undoubtedly one of advantage and value. It was able to stop an undue issue of stores. It must be remembered that the Admiralty only receive these accounts of stores once a year; and therefore it might be a period of from one to two years before they could discover any over-issue of stores. Therefore, I think that a change of this sort, the apparent tendency of which is adverse to economy, should only be made after the utmost deliberation. Beyond that I have nothing to say.

1160. (To Mr. Ryder.) Do the Treasury regard the present plan of having no check besides that of the captain himself as satisfactory?—The Treasury has not had the question before it departmentally, and therefore I can only give my private opinion. So far as I can judge I entirely agree with what the Comptroller and Auditor General has said; and if I might be allowed to express an opinion, I should have thought that it was very important to allow the storekeeper the right of criticism. Even if he is forbidden to withhold the stores demanded, yet it seems to me of importance that he should have the right to represent either to the captain or the superintendent of the yard, or any other authority, anything extraordinary in the demand; and certainly he should have the right of pointing out any arithmetical error.

1161. (To Sir C. L. Ryan.) Would you admit to be correct what Mr. Gilbert has said, that the storekeeper has no means of forming an opinion as to the amount of remains on board the ship?—He must take that from the statement of the officers in the ship undoubtedly, but very often his experience enables him to see that practically on the face of the thing the demand is wrong.

Mr. Sydney Buxton.

1162. (To Mr. Gilbert.) You say these over issues are very exceptional, as I understand?—Yes.

1163. The Comptroller and Auditor General says that even in his test audit he has found several instances of these over-issues; do you think that there were an exceptional number in that year 1887?—I am informed there are only a few cases, comparatively speaking.

Mr. Wodehouse.

1164. Do you admit what the Comptroller and Auditor General stated, that an error in the demand or an excessive demand might remain undetected by the Admiralty check for one or two years after the issue?—It might be so. (Sir C. L. Ryan.) What I meant was that the accounts are rendered once a year, and it might run to a period of between one and two years before an error was detected.

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1165. (To

8 May 1889.]

Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., Mr. RYDER,
Mr. GILBERT, and Mr. YORKE.

[Continued.]

NAVY APPROPRIATION ACCOUNT.

Store Accounts of the Navy, &c.—*continued.*Mr. Wodehouse—*continued.*

1165. (To Mr. Gilbert.) Do you agree with that statement?—It would not be quite two years. It is conceivable that if a demand were made immediately after the ships annual accounts had been sent in, and the new books opened, those new books might run on for a year, and the Admiralty might not examine them until three or four months afterwards; so that it might be 15 or 16 months from the date of issue before the Admiralty dealt with the thing

Mr. Barran.

1166. When the requisition is made is a statement of the condition of the stock, sent in to the Store Department from the ship?—It was so formerly, but it will not be so for the future under the new arrangement which is about to be carried out.

1167. Therefore, there will be no control in granting the supplies in regard to the quantity of stores on board a ship?—Perhaps I may explain briefly what the system of demand on board ship is. The stores are in the custody of four officers, namely, the engineer of the ship, the gunner, the boatswain, and the carpenter of the ship. Three of those, the gunner, the boatswain, and the carpenter, are what are called warrant officers and they are under the supervision of the navigating officer of the ship. I mention that simply to show that the navigating officer has not charge of the stores, but he is the authorised check over their demands besides the captain. The captain after that can check again. Therefore the system is not simply a man saying that he wants a certain number and description of stores, and getting it as a matter of course without any check for a year or 15 months; but there is a check existing in the ship, and I am hoping that that check will prove to be a more effectual one in the future than it has been in the past, because those on board will know that they will be responsible to the Admiralty, and that the storekeeper's check no longer exists. They will feel their responsibility more, I fancy, and will really check the demand before it comes to the storekeeper.

1168. I suppose that there would be a comparison, would there not, as to the quantity used on board different ships?—Yes.

1169. So that there would be some influence exercised upon them?—Yes; at the Admiralty, when the ships accounts are received, one ship's account is compared with another to see, so far as possible, whether, under the same conditions, the same quantities are being issued. There is a very rigid examination at the Admiralty.

Sir Walter Barttelot.

1170. I understand you say that in your opinion it would be much the safest course that the captain of the ship should have the absolute responsibility for the stores?—I think so.

1171. He is the head?—He is the head.

NAVY APPROPRIATION ACCOUNT.

Store Accounts of the Navy, &c.—*continued.*Sir Walter Barttelot—*continued.*

1172. And all those whom we are speaking of and, as you say, have the responsibility of the stores, are absolutely under his command?—They are.

1173. If you in the dockyards divide the responsibility by stating that your storekeepers will overhaul everything that comes from the ship you take away and minimise to a great degree the responsibility of the captain, do you not?—I think so.

1174. And if a man placed in the high position of a captain of a ship knows that he is responsible for these articles, do you not think that he would be the man who would look after them better than any one else?—I think so, and that is what we are hoping for now; it would be that system, subject of course to a final examination and criticism at the Admiralty; that is exactly what we are aiming at.

Mr. Barran.

1175. Under this new arrangement is it likely that the Admiralty will be able to get the information necessary to make the comparison at an earlier period than they get it at the present time?—Yes, I hope it will be rather earlier. We have gone in the direction of simplifying the accounts and making them as clear as possible, setting forth on the face of the accounts what is allowed as contrasted with what is used, and I am hoping they will be rendered earlier than they have been, and that they will be more accurate.

1176. How much earlier will they be rendered?—I cannot say; experience only will show that.

1177. Do you think that it is likely to remain a year before you can ascertain the figures as to the quantities used?—They are expected to render their accounts annually now; they always have been, and that will continue to be so.

1178. But is it possible, under the arrangement which you suggest, to have within a very much shorter period than at the present time a report from the ships?—I do not think it would be an advantage to shorten that period; I think that a year is the best period.

On Paragraph 5.

STORES BOUGHT UNDER ONE DENOMINATION
TAKEN ON CHARGE UNDER ANOTHER.

Chairman.

1179. There seems to be a system of buying stores under one denomination, for instance by weight, and taking them on charge under another denomination, for instance by capacity; that renders it very difficult to ascertain that the quantity bought corresponds with the quantity taken on charge; has the Admiralty had under its consideration how that can be remedied?—We have. We have assimilated the denominations

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Mr. GILBERT, and Mr. YORKE.

[Continued.]

NAVY APPROPRIATION ACCOUNT.

Store Accounts of the Navy, &c.—continued.

Chairman—continued.

nations as far as practicable, and we always keep it in view to do that as far practicable.

1180. Taking for instance the case of turpentine, cited by the Comptroller and Auditor General, why should that be bought per hundredweight and taken on charge in gallons?—I believe that turpentine is bought by the hundredweight in accordance with the custom of the trade. It would be undesirable to purchase other than in accordance with the custom of the trade; at the same time it would not be convenient to issue turpentine by weight; it is a liquid, and it is more convenient to issue it by gallons. The system is to assimilate the denominations, and I think it is quite an exceptional thing when the denominations differ; I do not think that there are many such cases, comparatively speaking.

1181. Cannot the exceptions be got rid of by some means or other?—We have endeavoured to do so; we have reviewed all the cases and got rid of the exceptions as far as we can, and we keep it in view to get rid of them still further if possible.

1182. But you have not succeeded in the case of turpentine?—I do not think that we have.

1183. Can you make any suggestion for that object?—I do not think I can say anything more than that the Admiralty keep that object in view, as I have said. Certainly it would be a convenience to have a similarity of denomination for the purposes of account, and we always aim at, and get that so far as practicable.

1184. You recognise, I suppose, that it is extremely difficult, if not impossible, to verify the correctness of the quantity taken on charge under the present system in such cases?—It may be a little difficult, but I do not think that it is impossible to get a substantially accurate comparison. If a thing is on charge by gallons, and purchased by weight, I do not think that it is difficult to work it out under one denomination.

Mr. Wodehouse.

1185. Does not a hundredweight of turpentine always mean the same number of gallons?—I think so. I do not know whether the temperature would affect it a little.

Sir John Lubbock.

1186. (To Sir C. L. Ryan.) When the Comptroller and Auditor General says in this paragraph, “taken on charge,” does he mean taken on charge by the Department or by the ship?—By the Department.

1187. (To Mr. Gilbert.) Would there be any difficulty in making a calculation once for all and converting the quantity of turpentine bought by hundredweight into so many gallons?—That is precisely what we do; but that, as I understand, is what the Exchequer and Audit Department are

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NAVY APPROPRIATION ACCOUNT.

Store Accounts of the Navy, &c.—continued.

Sir John Lubbock—continued.

questioning. We buy by weight, but take on charge by quantity, for the convenience of measuring in gallons; but it is always easy, on paper, to convert the stock bought by weight into the quantity in gallons. (Sir C. L. Ryan.) I may point out that the question which we asked, is whether in such cases a scale exists, by which the correctness of the quantity taken on charge, can be verified. If the Admiralty had stated that the calculation showed that a hundredweight of turpentine meant so many gallons, we should have been satisfied. That was practically that question that we put to them.

1188. Is no such scale furnished to you in the case of turpentine?—No.

Mr. Arthur O'Connor.

1189. (To Mr. Gilbert.) Is not the specific gravity of turpentine pretty constant?—It is pretty constant.

1190. Have you any reason to suppose that there would be any material variation in the number of gallons to the hundredweight?—I think not; there might be a little variation.

Mr. Barran.

1191. Are we to expect any improvement in this arrangement?—We have reviewed every instance of the kind, with a view of reducing the dissimilarity of denomination as much as possible. We always have kept that in view because it is inconvenient to ourselves for the purpose of account; we should certainly prefer to have similarity. The difficulty rather was to prevent our going too far because it might be inconvenient even in the purchase of supplies.

Sir John Lubbock.

1192. That is not quite the point to which the remark of the Comptroller and Auditor General is directed; he says, “An inquiry whether in such cases a scale exists, by which the correctness of the quantity taken on charge can be verified, has been answered in the negative.” I can quite understand that there may be many cases in which you have to buy according to the custom of the trade, and yet it may be convenient in dealing with the ship to treat the article under a different denomination, but surely there can be very few cases in which there is no scale by which the one can be converted into the other?—I believe there are no instances in which a scale could not have been made if it does not exist.

1193. May we assume that in future a scale will be made by which the Comptroller and Auditor General will be able to verify the correctness of the figures?—Certainly, so far as I am concerned, wherever a scale can be made.

1194. (To Sir C. L. Ryan.) That would meet your point, I presume?—Yes.

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1195. (To

8. May 1889.]

Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., Mr. RYDER,
Mr. GILBERT, and Mr. YORKE.

[Continued.]

NAVY APPROPRIATION ACCOUNT.

Store Accounts of the Navy, &c.—*continued.*

On Paragraph 6.

STORES MANUFACTURED OR CONVERTED IN
THE DOCKYARDS.*Chairman.*

1195. (To Mr. Gilbert.) It appears that in the case of articles manufactured or converted in the dockyards when they are taken on the storekeeper's charge, no certificate as to quality or fitness for the service by an independent person is given, with the single exception of rope and yarn; why should not the same course be taken with respect to other articles, as in the case of rope and yarn?—That question has been under the consideration of the Board for a considerable time, for several years, I think, and last year as an experiment, a surveyor of stores was appointed at Portsmouth Yard, entirely with the view of certifying as to the qualities of all articles. The Board have since then determined to appoint surveyors at Chatham and Devonport, and by their means certificates as to quality will be furnished in future in all cases.

1196. Then the Admiralty have overcome the difficulty, I presume, which they stated with regard to the further expense?—Of course it means further expense; it means the salaries of those officers.

1197. I suppose they have come to the conclusion that the further expense is necessary?—Yes.

Mr. Arthur O'Connor.

1198. Would there be anything to show how much brass, for instance, was used in the dockyard for making such a thing as a brass fender for the Admiral commanding?—Yes, I should think there would if a brass fender were required, and the material were drawn for making that fender.

1199. Have you any reason to suppose that things are made sometimes in dockyards for the officer commanding?—Do you mean in an irregular manner?

1200. I mean are they made at all. Supposing anything is made for the Admiral in charge of the dockyard, what is the proper course to have it regularly made?—The proper course would be that if a brass fender were required for the Admiral of the dockyard, it would be requisitioned on the storekeeper, and the storekeeper would requisition the manufacturer for the fenders, supposing it had to be made in the yard and the Admiral were allowed such an article. If it were not allowed it would be referred to the Admiralty for directions.

1201. There is a certain establishment amount, or whatever it is called, is there not, for the Admiral's quarters?—Yes, upon which he pays a per-centage; his house is furnished, in fact, all through.

1202. I understand you to say that you have never heard of irregularly made articles being

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furnished to an Admiral in command of a dockyard?—Certainly, I do not remember any such case.

1203. No comment upon any case of that sort has ever reached the Admiralty?—Not to my knowledge.

1204. No question was ever raised on the point so far as you know?—No. Of course I have not been considering the question from that point of view, and I have not looked up the papers at all; but no such case occurs to me.

On Paragraph 7.

STEEL PLATES RETURNED INTO STORE AT
CHATHAM.*Chairman.*

1205. (To Mr. Gilbert.) It appears that certain steel plates which were specially manufactured for H.M.S. "Rodney," have been returned to store as not required, and that the plates for the "Rodney" were drawn from stock; why was it ever necessary, seeing that the plates could be drawn from stock, to issue a special order for plates to be manufactured?—We always keep a small stock of plates to meet casual requirements.

1206. Do you not draw upon those in stock before you issue special orders for the manufacture of new plates?—We should allow for them if we had more in stock than we required for casual requirements; we should take the stock into consideration.

1207. When first of all certain special plates are ordered for a particular ship and then other plates are drawn from the stock, are those special plates as suitable for keeping in stock for future use as those that were in stock before?—I take it that they were; I have not made inquiry upon this point, but I have no doubt those were ordinary plates which, instead of going to this ship, the "Rodney," would have gone into stock if the plates in stock had furnished the ship. These plates were not delivered in time for the ship; the contractor had delayed rather in delivering those plates; it was a small number. We are bound to keep a stock of plates for casual requirements.

1208. (To Sir C. L. Ryan.) Does that answer satisfy you?—I think that the observation in the Report was rather framed with the view of possible loss which might occur in the case of special orders unless the articles are used, and this was one of those cases which it seemed to us desirable to notice, which admits of course of explanation.

Mr. Wodehouse.

1209. (To Mr. Gilbert.) Was any claim made against the contractor in respect of those plates?—I think not.

1210. Can

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Mr. Wodehouse—continued.

1210. Can you explain why no claim was made against the contractor in that case?—No, I have not looked up the case; it is a small number of plates, and the delay was not long.

1211. You imagine that it was not thought worth while to make a claim?—Yes.

Mr. Arthur O'Connor.

1212. Who was the contractor in that case?—I have not a note of the name.

Mr. Salt.

1213. Is it your custom to arrange that the contractor should supply what is needed within the time required, subject to penalty?—Certainly, but there was no penalty.

1214. Was there a penalty in this case?—I do not see that there is any penalty mentioned in this contract. The total weight of those plates was about 4½ tons, and that on the whole of the ships' plates would be nothing.

1215. Would the plates that you had in stock be equal in quality, size, and weight to those which you were requiring for this ship?—Yes, I take it it would be so, or else the officers would not have taken these from stock.

Mr. Sydney Buxton.

1216. Are we to understand that those plates specially manufactured for the "Rodney" would be equally suitable for other ships without further expenditure upon them?—Those plates were suitable for stock.

1217. Would they be equally useful without any further expenditure for any other ship than the "Rodney"?—I think so.

1218. Practically, there is no loss, you think?—Practically, there is no loss; they might have to be cut. The plates are kept in stock for any casual requirements, but you cannot keep all sizes that would meet every occasion that might arise, and therefore plates would have to be cut; but these plates would be in no worse position than the plates they took the place of.

1219. As a matter of fact, I suppose these plates taken from stock had to be cut to suit the "Rodney," and those other plates made for the "Rodney" would have to be cut also, and so there will be a double expenditure?—They might have to be cut.

1220. Would they not probably have to be cut?—I cannot tell.

1221. But there might be a double expenditure, might there not?—There might be.

Mr. Barran.

1222. When an order is given for plates are the dimensions given?—Yes.

1223. For each plate?—Yes.

1224. With a view to their fitting special parts of the ship?—Yes.

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Store Accounts of the Navy, &c.—continued.

Mr. Barran—continued.

1225. Then there must be a considerable loss, I suppose, if you take other plates that have not been ordered specially for that purpose?—But probably these plates that were taken approximated in size.

Sir John Lubbock.

1226. As a matter of fact, did those plates which have been taken out of stock require to be cut?—I cannot tell you that at the moment, but I can ascertain that.

Mr. Barran.

1227. Are the plates made of a different size, according to the part of the vessel they are intended for?—They are according to the specification.

1228. Therefore, it would be a very unlikely thing that the plates you have in stock would fit exactly the position for which these plates which were ordered were to be used?—In this case I fancy the plates in stock must have fitted or they would not have been taken; the officers would have elected, I expect, to wait for the plates which were intended for the ship.

Chairman.

1229. I think it would be better if you would send us a written statement in answer to the questions that have been put upon this point; it is not of much use pursuing questions on a mere hypothesis?—Certainly, I will do so.

Mr. Salt.

1230. Was there any cause given for the delay by the contractor?—I will bear that question in mind also and furnish the answer.

Sir Walter Barttelot.

1231. I presume that you keep these plates in store, so that in case of any accident happening, and the plates not being made at the absolute moment when they are required, you should be able to issue plates that would be of service and that you could use at the moment they were required?—Yes.

1232. I presume you keep in store various sorts of plates for the different sizes and different types of ship which you are building?—Certainly.

1233. You would keep a certain number of each sort?—Yes.

1234. I presume that the plates that were issued from stock were of the size that the ship required?—They would be suitable, and they might have been exactly of the size required.

Mr. Arthur O'Connor.

1235. Have you any plates in store which were made for ships such as you do not now build; have you an accumulation of old plates?—We may have a few abroad, but speaking generally I do not think that we have an undue accumulation.

1236. I mean

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1236. I mean plates which you are never likely to use in their present condition either abroad or at home?—I do not think that we have any plates that we are not likely to use. If we had any that were not likely to be used we should dispose of them.

1237. How often would you take a survey for the purpose of disposing of them?—We review the stock whenever it is necessary to make a large demand.

1238. Do you review the stock abroad?—The stock abroad or the stock at home.

1239. How often would that be?—At least once a year; probably oftener in the case of plates.

1240. Ordinary obsolete stores are cleared out once a year, I understand?—They are cleared out if they are not likely to be required.

1241. If they are obsolete how can they be required?—Sometimes we can utilise so-called obsolete stores. They may be used up, though we should not purchase any more of the same kind; it would be more economical to use them than it would be to sell them.

On Paragraph 8.

RECEIPTS GIVEN UPON ISSUE NOTES IN
CASES WHERE NO STORES WERE DELI-
VERED.

Chairman.

1242. (To Mr. Gilbert.) The Comptroller and Auditor General reports on the practice under which issue notes in acknowledgment of stores received are receipted by the persons authorised to draw the stores, before presenting them at the storehouse, and that when from any cause the stores are not issued, the receipted notes are allowed to remain with the storekeeper instead of being at once cancelled. He states also, that arrangements have been made to prevent the recurrence of this practice; can you explain what the arrangements are?—Orders have been given not to accept notes receipted beforehand in that manner.

1243. In future these issue notes will only be receipted when the stores have actually been handed over?—Certainly, that is the instruction; that was always the instruction.

1244. You would agree, I presume, that the receipted notes would be of no value if the old practice were to be continued?—Certainly.

Mr. Sydney Buxton.

1245. What likelihood is there of the new instruction, which I understand you to say is practically the old instruction, being better carried out than the old one was?—I think it is only in a few cases that it has been disregarded.

1246. Do you think the fact of the Comptroller and Auditor General having now called attention to the matter will decrease these irregularities?—Certainly.

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Mr. Arthur O'Connor.

1247. I suppose the Admiralty would not question the assertion that such issue notes have frequently been receipted and left with the store officers, although the issues have not been made?—Not frequently, certainly; I do not think that the Exchequer and Audit Department say that.

1248. Upon occasion, I will say?—It has happened on a few occasions; but I think that the occasions have been comparatively few.

1249. Those receipts under the old system, whatever it was, would be sufficient to discharge the storekeeper?—Yes, the storehouse man.

1250. Have you any system of check of the accounts of the officer receipting the issue note; was that receipt of his ever brought up against him, so that he should be called upon to account for stores which he had receipted?—I think that the stores in question were stores drawn for manufacturing or building purposes, and the officer who draws stores under those circumstances keeps no account in the sense of a debtor and creditor account.

1251. That is what I was going to ask you; have you any system by which you see that the stores for which the receipt was given in the issue note were taken on charge by or debited to the officer receipting?—Certainly, in regard to supplies to the ships, that is in regard to the supplies to officers who keep accounts.

1252. In the particular case referred to what was the issue; was it to a ship or to the Manufacturing Department?—I am unable to say. I fancy it would probably be to a manufacturing department, or for building a ship or something of that kind.

1253. To whom do you issue at Chatham; do you issue to both such people indifferently?—Yes.

1254. But if it was for manufacture, there would be no means, would there, of treating the receipt except as a discharged document; it would never be treated as a charge document?—Yes.

1255. Do you not think that that is rather a defect in your system of check?—I do not see how you can treat the issue to the man who works up the material into the ship as a charge document.

1256. But if upon a custom document, which you call an issue note, you have a receipt which will discharge the storekeeper, and could not be used so as to check the receipting officer, surely there is room for leakage?—That would be met in this way: with every issue of stores a document is forwarded to the officer who actually uses up the stores, or who controls the manufacture of the stores.

1257. Who would issue that document?—The storehouse man.

1258. He is the very man, is he not, who holds the receipted document?—Yes; the system is that an officer who wants stores in building

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building a ship makes his demand in duplicate; one of these documents is sent back to him as a guarantee that he receives his stores. If he does not get the document back, he would inquire about it.

1259. That is altogether collateral to the receipt on the issue note; how would you bring those two things together for the purpose of check?—That note afterwards goes to the Central Store Office, and a ledger there is posted up from it. There are two ledgers; one ledger being posted from one document, and the other from the other; and the two ledgers can be compared. That is the system.

1260. I am trying to see the profit in the system which enables you to check the gentleman who has signed the issue note, and I do not see how the check comes in?—You mean, I suppose, how is one to be assured of the fact that the stores reach their destination.

1261. Or that they were ever issued at all?—If a foreman or a subordinate officer requires stores, he makes a demand in duplicate, he sends a man for the stores, and the man with the stores brings back one of the documents; he can assure himself then that he gets the stores he asks for.

1262. But that is the demand paper; the issue note is a separate document, as I understand?—No, the demand and the issue notes are the same thing; it is a demand until it is receipted; it then becomes an issue note.

1263. Is that demand note afterwards used for the purpose of checking the officer who draws the stores?—Yes.

1264. If so what becomes of the criticism in this paragraph; if the receipt and the issue note is a check of charge as well as of discharge, where is the weak point which you say is the irregularity?—This system is comparatively of recent introduction, and the case referred to by the Exchequer and Audit Department may have occurred before this system was established.

1265. Then I may take it, at any rate, the system has been altered recently, to secure greater security?—Yes, within the last two or three years.

1266. It may be in the last year that there was a leakage in regard to the check in that particular?—Yes, there was danger in past years, until the present system was introduced.

On Paragraph 9.

DUPLICATE STORE LEDGERS AT FOREIGN YARDS.

Chairman.

1267. It seems that at certain foreign yards, namely, Ascension, Jamaica and Sydney, no duplicate ledgers have been kept; it has, however, been explained that at some of the foreign yards, particular ledgers have been totalled and balanced two or three times a year, and not regu-

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larly once a quarter; can you explain both those points?—Duplicate ledgers are kept at all the foreign yards, excepting three; and at all foreign yards the ledgers, after being posted, are examined by a naval officer under the directions of the commander-in-chief or the senior officer.

1268. As to these several yards, we understand from the Comptroller and Auditor-General's Report that with regard to Ascension the desirability of introducing duplicate ledgers is under consideration; has any decision been arrived at?—Yes. With regard to Ascension, (and Jamaica is in the same category), it has been found impracticable to keep duplicate ledgers, because the men employed there as storehouse men are not equal to the work of keeping a ledger.

1269. Then what check have you?—We have a check by a naval officer under the direction of the commander-in-chief or senior officer, that is to say, every entry in the ledger is carefully checked and vouched for by this officer. He is an officer with a status of paymaster or assistant paymaster in the Navy.

1270. (To Sir C. L. Ryan.) Have you any criticism to make upon that system?—I should like to know whether there has been any change in the system since this report was written. (Mr. Gilbert.) I think that duplicate ledgers have been established at all foreign yards excepting three, where we found it impracticable to start them. Those three yards are very small yards, the transactions are not numerous; and it is hardly worth while to increase the expense by sending out special men who could keep those ledgers.

1271. (To Sir C. L. Ryan.) Have you any remark to make upon that?—The best answer that I could give would be that we will look again at this question in the course of next year, and will report to the Committee again whether the changes seem to be satisfactory.

1272. (To Mr. Gilbert.) With respect to Sydney is there any further explanation to be given beyond that which the Admiralty have already given to the Comptroller and Auditor General?—No, not at present.

1273. (To Sir C. L. Ryan.) Perhaps your last answer will apply also to Sydney?—Yes; we will take an opportunity of investigating, so far as we can, the changes that have been made, and reporting again to the Committee on the subject.

On Paragraph 10.

EXCESSIVE STOCK OF IRON, &c., AT MALTA.

Chairman.

1274. (To Mr. Gilbert.) It seems that excessive stocks of "iron superior" and steel and electro-plated goods have been found at Malta, somewhat in the same way as we were informed last year that there had been an excessive quantity of wheat in stock there; on what principle do

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the Admiralty settle the amount of reserves of such articles as “iron superior” and steel; do they take the average consumption of a certain number of years, or do they take into account what would be required at Malta in case of war, or on what principle is the amount settled?—With regard to these plates, roughly about one-fifth of the stock consisted of plates sent out in 1882 to make boilers for the “Decoy” and the “Antelope”; those vessels were afterwards sold and the boilers were not required to be made, and so the plates were not wanted for that purpose. In regard to the rest, all the plates were demanded by the Malta officers, and for the last ten years the Admiralty have urged them every year to keep their demands as low as possible; but they have repeatedly represented that these plates might be required to meet contingencies; and their demands were ultimately substantially complied with, although I think in many cases they were cut down.

1275. Then the large stock is the consequence of successive demands made from Malta?—Yes, from Malta.

1276. It is not based on any principle, as far as I understand?—In 1882, for instance, 1,265 cwt. of plates were used, and a large supply was provided to meet the demands in 1883 and 1884. The Malta officers no doubt considered their past expenditure in demanding the plates.

1277. Taking the amount authorised by instructions, as shown on page 208, they have in stock a very much larger number of plates of the various descriptions, boiler plates, ships' plates, and ships' sheets, than are authorised by instructions; whereas the instructions authorise in these three categories, 155, 121, and 160 respectively, the number of plates in stock was 955, 956 and 1,507 respectively?—Yes, I had the first figure given there as the authorised quantity calculated this morning; and I think that the quantity of 155 boiler plates, as stated here to be authorised by the instructions, is an error; the quantity as we make it should be about 365 instead of 155. In the other cases I have not calculated the quantities; but I fancy that they are wrong too; there may have been some misapprehension.

1278. But these figures seem to have been supplied by the Admiralty in the correspondence referred to as Enclosure D.?—I understand they were not calculated by the Admiralty.

1279. (To Sir C. L. Ryan.) At page 221 there are some figures given which, as I understand, are taken from the enclosure which was forwarded by the Admiralty, and which is printed on that page?—Yes, the figures are at page 221; the additions are not made there, but I think you will find that they add up to the amounts as given on page 208. They were taken from the tables furnished to us by the Admiralty; they are the Admiralty figures, not ours.

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1280. (To Mr. Gilbert.) But the figures on page 221 are the minimum quantity of reserve stock; the quantity of stock is not to be less than the quantity given there?—Yes, that is so. I was just going to point that out. In connection with the plates I may mention that when this stock of plates was got up, boilers, for instance, did not last so long as they last now. Now they last much longer than formerly, chiefly owing to the protection afforded by zinc slabs inside to prevent corrosion; and so, of course, the quantity of stock was got up rather with reference to the expenditure that existed formerly. Moreover, we have used steel for some years past, instead of iron; and the stock that the Comptroller and Auditor General speaks of was got up some years ago.

Mr. Salt.

1281. Do you know whether stock at all deteriorates if it is kept for several years?—I suppose it would deteriorate a little, but I do not think it would deteriorate much.

Mr. Barran.

1282. Has the proportion of “iron superior” diminished very considerably within the last few years since the introduction of steel?—The proportion of iron used has certainly diminished.

1283. Is it likely that the iron which is now lying at Malta will be used for any general or particular purpose within the next few years?—In order to induce them to use it, we have reduced the values of the iron plates.

1284. Are you taking any steps to compel them to use the iron where it can be properly used?—Yes, we are.

Mr. Arthur O'Connor.

1285. Before leaving that form on page 208, I should like to ask, with regard to the sizes authorised by the instructions and the number of sizes actually in stock, how it came about that whereas seven is the authorised number of sizes of boiler plates, there are no less than 63 different sizes of boiler plates in stock?—A portion of boiler plates, as I think I mentioned, were purchased for the purpose of the “Decoy” and the “Antelope.”

1286. But there are no less than nine different sizes in stock, as are authorised according to this form?—Yes, we kept in stock as few sizes as possible, or else the stock would be larger still we only authorise a small number of sizes.

1287. There are only authorised seven different sizes, apparently?—Yes.

1288. As a matter of fact, you have boiler plates in stock now of 63 different sizes?—Just so.

1289. Is it a fact that every one of those different sizes is now in use?—Certainly, or rather were in use when they were demanded.

1290. Then of the 63 sizes are not many obsolete?—Do you mean as to size or as to quality.

1291. I was

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1291. I was thinking more of the thickness; are not many of them obsolete in that respect?—No, I should think not.

1292. The boiler plates vary do they not from a quarter of an inch in thickness to three-quarter, of an inch?—Yes; I have the figures here as from 4-16ths to 12-16ths.

1293. Many of those boiler-plates are less, are they not, than that thickness?—I have not the facts before me, and I cannot tell whether they are less or more.

Mr. Sydney Buxton.

1294. I want to ask you one question with regard to the letter on page 217, which says, that the professional offices at Malta, in order to keep down the cost of the work, used steel in preference to iron. I should like to ask, are they allowed to use what quality of metal they like, without any supervision on the part of the Admiralty, and what sort of work does it mean?—The work and the use of the materials are governed by the Director of Construction and the Director of Dockyards, who are the principal professional officers of the Admiralty.

1295. How is it that they have been able to use for those ships' plates boiler-plates of steel instead of iron, merely because it happened to be cheaper?—Perhaps that was before the iron was reduced in its value. The price for those plates has been reduced, and it is expected that the stock now will be more rapidly worked off. Of course the professional officers are interested in building their ships as economically as possible, and if we exact too high a price for material in stock they naturally hesitate to use it.

1296. Do you suppose the price to which you have now reduced it is below the fair market value?—No, it would be the fair market value.

1297. I see that the Comptroller and Auditor General states that at the present rate of reducing surplus stock it would take something like 35 years to get rid of the surplus stock of "iron, superior"; are you proposing to take any steps to reduce the stock more rapidly than that?—We are watching it from year to year, to see that the stock is reduced as quickly as possible.

1298. Do you propose to leave it there, or at any rate to take no special action?—We should take special action if we find the plates are not used at all, if it would not be economical to use them, it would become a question whether we should not dispose of them in some other way.

Chairman.

1299. Were you Director of Stores in 1882?—I was not; I have been Director of Stores since the 1st of April last.

1300. You have probably seen the report of the Director of Stores, of the 15th March 1882, printed on page 218, in which he commented upon the fact, that the stores of "iron and steel plates, angle bars, flats, &c., rivets, bolts, and
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nuts, of different qualities of iron and steel "at Malta," are largely in excess of what at the present time, with telegraphs and steam communications, it is necessary to maintain at our foreign depôts"?—Of course it would be from his point of view, as Director of Stores, that there was an apparent undue accumulation.

1301. It seems according to the Report of the Comptroller and Auditor General that the necessary steps were not taken upon that report to give effect to his recommendations, and that there still is this excessive stock?—Steps have been taken, as I have just explained, to reduce the present market values of this iron in order that the professional people may not buy these stores at a loss, and in order that they may be utilised.

Mr. Jackson.

1302. Is it a question of market value at all; is it not rather a question of change of construction altogether?—It is both.

1303. It is no use saying to a man who has made up his mind to make his boiler of steel that he may have iron cheaper, and thinking that he will make his boilers of iron because you reduce the price of iron; he would not do anything of the kind, would he?—I believe steel was adopted because it was cheaper.

1304. But these are boiler-plates, are they not?—Some of them are; but they may be used for other purposes than making boilers, and they may be used for repairs.

Mr. Barran.

1305. Has it ever occurred to the Admiralty to inquire whether it is desirable to have a large proportion of this surplus stock returned to the dockyards in England where it might be used up?—Yes, that has been considered.

1306. Are they using a large quantity of superior iron even now?—No.

1307. What is the objection to returning the surplus stock to England in that way?—No objection occurs to me at the present moment except that of course there would be the cost of freight to be incurred in bringing it home.

1308. Could it not be brought in our own vessels when they are returning?—It might sometimes.

1309. You have frequent vessels coming from Malta, have you not?—We have store ships coming home occasionally; and very often they come home full of stores that can be utilised to better advantage at home. I have no doubt with regard to those plates if we found that they could not be utilised out there to advantage they would be brought home and utilised here ultimately.

1310. Do you not think it is a very desirable thing to do that with the least possible delay; many of the stores you admit are quite obsolete now, and are not likely to be used for many years to come; would it not be much more economical to bring them home at once than to allow

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allow them to remain there for 10 or 15 years and then dispose of them?—I do not suppose that we should allow them to remain there for 10 or 15 years longer. There is a great demand for plates at Malta, and they may be profitably utilised at Malta.

1311. Why have they not been consumed already if there is so great a demand for them?—Because it is only recently that we have reduced their value.

1312. But, as Mr. Jackson put it to you just now, if the thing which you have reduced in value is not at all useful according to the present requirements of the Navy, the reduction in value will not bring those things into use?—Certainly, that would be so, if they are not useful, but in the opinion of the professional officers of the Admiralty at home and abroad, at the present time, it is expected that they may be utilised.

1313. Still you contemplate having them returned?—I should contemplate it if I find in a reasonable time that they are not utilised. I should certainly suggest their being disposed of in some way to the best advantage, either by bringing them home or in some other way.

1314. Would it not be well to have a general inspection of the stores that are there to ascertain if possible whether it is not worth while to return some of them?—We have done that already.

Sir John Lubbock.

1315. Since this form was printed, may I ask whether there has been any more rapid diminution in the number of these plates; have they been more used lately?—We are expecting a return shortly; it has not come in yet, but we are watching it very narrowly.

Chairman.

1316. When you say a return, do you mean a report?—I mean a report.

Mr. Jackson.

1317. Have you any record that you could give to the Committee to show how many years' consumption these figures represented in the different sizes. I see it is said in the Report of the Comptroller and Auditor General that it would take about 35 years to get rid of the whole stock, but that hardly gives me the information I am asking for; to divide the total number by the total number of plates used in the year, and to come to the conclusion from that that therefore you have 35 years' stock is not quite the sort of calculation I want. That is only given as an illustration; it does not answer my question, because you may have a considerable number of these sizes; it depends upon the number and the consumption of each size. You either have, or ought to have, I should think, a statement showing what the consumption per annum of

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Mr. Jackson—continued.

each of the sizes is, and compare it with the actual stock of each size?—There is no doubt we have that information, or could get it.

1318. But you cannot answer the question now, I understand?—I have not got the information here.

Chairman.

1319. But I think you said earlier in your evidence that the stock was based upon the average consumption of a certain number of years, or that it ought to be so based?—Yes, when the plates were demanded at that time, that was the argument used in support of the demand. Since that the conditions have altered.

1320. That brings me to the point raised by the Comptroller and Auditor General in his letter of the 22nd of October, which is printed on page 217, where he says, "The fact of excessive accumulations of stock having taken place appears to the Comptroller and Auditor General to point either to defective regulations, or to the non-observance of regulations, if in themselves effective," and he asks to be furnished with my observations from the Admiralty that they may wish to offer. That point does not seem to have been answered by the Admiralty. Is it your opinion that the existing regulations are defective, or do you think that they are effective regulations which have not been observed?—I think the regulations are sufficient and effective.

1321. Surely they cannot be effective, if they result in the accumulation of such an extravagant stock?—When those plates were demanded there was every reason to suppose that they would be required.

1322. But we have it stated, in your predecessor's report in 1882, that at that time the stock was largely in excess of what was necessary, especially considering the great improvement in telegraphs and steam communications, which improvement has been going on since?—That was his opinion, but it was not concurred in by the professional officers, who were responsible for the repairs and construction of the ships there.

1323. I understand you to be satisfied not only that the regulations are good, but that they are effective, and that no evil result has followed from them?—I am satisfied that the regulations are good certainly, but in this case owing to the alteration of the conditions of things in connection with these plates, there has been an accumulation.

1324. But not as I understand you to say from any defect in the regulations?—Not from any defect in the regulations. Whether there was an error in judgment on the part of the professional officers or not, I am hardly competent to say.

Mr. Jackson.

1325. I suppose the effect of inventions is a constant tendency to increase the stock of new plates

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plates and diminish the consumption of old plates; I mean old patterns and old forms?—Yes, especially by the substitution of steel for iron.

Chairman.

1326. (To Sir C. L. Ryan.) Have you any further remarks to make upon this point?—I have nothing that I wish to add; I will look into the matter further.

1327. Then with respect to the apparently excessive amount of electro-plated goods which the Comptroller and Auditor General reports upon, has there been any answer to the letter from his Department which appears on page 224?—The answer was received on the 16th of February last, and as it is very short, perhaps the Committee will allow me to read it: "In reply to Mr. Sinclair's letter of the 14th November last, on the subject of the excessive stocks of electro-plated articles in store at Her Majesty's Dockyard, Malta, I am commanded by my Lords Commissioners of the Admiralty to acquaint you that this excess was known to exist, and is due to abnormal demands made in 1885 to supply the Mediterranean Fleet, which had been suddenly largely increased to meet certain war preparations. As it is not considered probable that the present excessive stock will soon reach its normal limit, it has been arranged to send the excess to England for disposal."

1328. (To Mr. Gilbert.) I observe that it was in the year 1885 when there was a large increase of the Navy contemplated, and one of the ways of the expenditure of the Vote of Credit then obtained was, I suppose, to buy all this electro-plate which is now in stock at Malta?—It has come home, or is coming home, I believe.

1329. This came out of that Vote, I presume?—This stock was sent out owing to the then expected large increase, which turned out to be unnecessary.

1330. We have a table at page 224 of the amounts in stock: chamber candlesticks, forks, spoons, &c., &c., an immense number of which were in stock at Malta, and I understand that is due to this expenditure out of the Vote of Credit?—I do not know that it was.

1331. It appears by the Admiralty letter that this was spent in 1885?—Yes, in that sense it would be.

1332. (To Sir C. L. Ryan.) Have you any further remark to make upon this apparently excessive stock?—No; I think the figures speak for themselves, and are admitted.

Mr. Jackson.

1333. (To Mr. Gilbert.) I take it that the stock at that time was largely increased there owing to the anticipated demand for increased deliveries?—Yes, that was it.

1334. Which never came about?—Which never came about.

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Mr. Arthur O'Connor.

1335. In fact, it is rather a satisfaction that the stock being perfectly adequate there was peace, and there was no necessity to use it?—Yes.

On Paragraph 11.

STOCKTAKING AT THE HOME YARDS.

Chairman.

1336. It seems that great efforts have been made in the year in which the Comptroller and Auditor General reports to conform to the regulations he suggests, and that he has reason to hope that the rule requiring the stocktaking of all stores at the yards to be completed within three years, will in future be strictly observed. Can you give any assurance that this three-year's rule is likely to be more strictly observed in the future?—Yes, I have reason to hope that the three-years' rule will be very strictly observed.

1337. Then as regards the persons employed to take stock on behalf of the Admiralty, they seem generally to have been dockyard writers resident at the dockyards. Last year the Public Accounts Committee reported that in their opinion the duties of stocktaking should be performed by persons who are independent of the yard and of higher official position than that of dockyard writers. That is one of the outstanding questions which is mentioned in the first subsection of the second paragraph of the Comptroller and Auditor General's Report; can you give us any information as to whether any action is being taken by the Admiralty in consequence of that Report of the Public Accounts Committee?—That Report is now under the consideration of the Board. Speaking for myself, I have no reason to suppose that the duty of stocktaking is not, as a rule, satisfactorily conducted; but at the same time there is no doubt that if the stocktaking were conducted by officials of higher status their reports would be accepted as more reliable.

1338. Taking, for instance, the case of Devonport, which is mentioned by the Comptroller and Auditor General, he reports that the stocktaking there has been performed in a perfunctory manner; that would tend to support the opinion expressed by the Committee last year, would it not?—Yes: I should be glad to see stocktaking conducted by men with a higher status if the Treasury will give us the means of doing it.

Mr. Jackson.

1339. Could it not be done without the Treasury giving you any additional means; have you not men in the service who could do it; surely it is part of the usual organization of a great establishment such as that of the Admiralty that it finds without any increased means the necessary staff for stocktaking?—The staff of men of the required

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required status has been reduced in the dockyards; in a large yard like Portsmouth from about 28 men to two or three, I should say, speaking from memory.

1340. How does that affect the question?—It affects it in this way, that there are no men available of a sufficient status to take stock.

1341. Do you mean that there are no men at the dockyards of a sufficient status to take stock?—Not available.

1342. What do you mean by available?—I mean available for that work; they are required for other and more important work.

1343. Would you think that, for instance, one of the great railway companies of this country would require to call in a special staff to assist them to take stock?—No.

1344. Where is the difference between that case and the case of the Admiralty?—Of course I do not know what staff the railway people might have for that purpose.

1345. Surely your staff is sufficient to carry on the ordinary work of the establishment; stock-taking is usually done at periods of the year when it is convenient to take it, and so far as my experience of commercial establishments goes, it is done in commercial establishments by the staff connected with the establishment?—That is what is being done now, but the staff consists almost exclusively of these writers who are objected to.

1346. Would anybody outside the establishment be able to take the stock as well as the men in the establishment, assuming that you have proper superintendence to see that everything is done honestly?—The difficulty is that the men employed in the establishment are not of the required status.

1347. Surely somewhere, either at the central office or in connection with the staff appointed to the dockyards, you have got men who are competent to discharge such duties?—Not available.

1348. Do you wish the Committee really to believe that there are not, within the limits of the establishment of the dockyards, men of sufficient status to take stock accurately and honestly?—Yes, I wish the Committee to believe that there are no men available, that is to say, men who could be detached from their duties to take stock.

1349. I understand then that there are men who could do it, but you consider that they are not available?—They are not available.

1350. Without detaching them from other duties?—Without detaching them from other duties.

1351. Would it not be possible for their other duties to wait a day or two while they take the stock?—Certainly not.

1352. You think that their time is fully

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employed, and that they could not be spared for this work?—I have no hesitation in saying that is so, and, as a business man, I think I could show you that is the case.

Mr. Arthur O'Connor.

1353. The substance of your testimony, as I gather, is that, recognising as you do, as a store officer, the importance of securing accurate stocktaking, you are unable to have that carried out as you would wish because the Treasury will not give you a sufficient staff?—I do not know that the Treasury will not do so; it has not been represented to the Treasury yet; we are about to ask them, and I have no reason to suppose that the Treasury will not do it.

Chairman.

1354. What will be the nature of your request; would it be to add to your establishment or to appoint special officers for this purpose?—To provide a sufficient number of men at all the yards would be an expensive thing, and what I should propose would be this: that two or three men of the status of ordinary clerks in the service should be attached to the central office of the Admiralty, and then a test survey should be taken, and they should be sent down unexpectedly to any yard to test the stocktaking.

1355. In that case you would contemplate going on taking the stock with the dockyard writers, and test it with test stocktaking by these clerks?—Yes.

1356. (To Sir C. L. Ryan.) What have you to say to that suggestion?—I think that suggestion would be a good one; anything that would make the writers feel that there was a check behind them, and that if they did their work imperfectly they would be brought up; that would be the greatest improvement in my opinion.

1357. Do you think that the writers, subject to such a check, would be able to take the stock satisfactorily?—Yes. The difficulty really is that these men are not men of sufficient position to carry weight in discharging what is such an important duty as the stocktaking of the national stores; and if those men were checked by other persons coming not from the same place, but from the central office, I think it would be an improvement.

Mr. Jackson.

1358. (To Mr. Gilbert.) Do not these writers work under supervision?—Practically not. There is a little supervision, but the supervision is not sufficient.

Chairman.

1359. Who signs the account of the stock; does the writer sign?—The writer signs it and the storehouseman signs it; the storekeeper himself

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self criticises it and he signs it, and the Admiral Superintendent signs it also. I have been store-keeper myself, and I made it a point to go into every account so far as I could.

1360. What is the value of the signature of the Admiral Superintendent?—It is valuable in this way, that he knows where he can trust his officers, and he inspects the yard and sees things generally.

1361. What was its value in the case of Devonport; I suppose that the Admiral Superintendent signed in that case?—Nothing but an actual stocktaking could have detected it there; it could not have been detected except by going down and taking stock.

1362. I suppose he trusted his stocktakers in that case?—Yes.

1363. Is not that a delusive system; would not it be much better that he should not sign?—I think he should sign as being generally satisfied.

1364. Is not that very much like the case of a captain signing a demand for stores for his ship; he signs so many documents in connection with his ship, and the Admiral Superintendent signs so many documents with respect to his dockyard, that their signatures come to be given as a matter of form and are of no value?—I know, speaking as a matter of fact, that the Admiral Superintendent has sent for me more than once about the stocktaking return, if it did not appear satisfactory on the face of it, and has required a verbal explanation.

1365. But you have yourself stated that it is necessary to bring in a check upon the writers?—Yes.

1366. And it appears that you are not satisfied with any check that the Admiral Superintendent is able to institute himself?—No, it would not be an actual check of the quantity.

1367. Then I come again to the question of what can be the good of the Admiral Superintendent's signature?—Every man in the yard knows that it goes through the Admiral, and the Admiral Superintendent is always about the dockyard, and forms an opinion, even of the men. Even his inquiring about it would have a good moral effect.

Mr. Arthur O'Connor.

1368. Is not the status of the Admiral Superintendent sufficient to insure such a supervision as you appear to desire there should be by some one of higher status than the writers?—It is sufficient if he had the means at his command; he has no means at his command to institute a check.

1369. And, therefore, his signature is an empty form?—I am not prepared to admit that it is an empty form; it is not valuable as a check upon the quantity.

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Mr. Arthur O'Connor—continued.

1370. What was it that occurred at Devonport, which you say could not possibly have been discovered except by a thorough stocktaking?—I have not investigated that myself.

1371. I am quoting your own words, which struck me when you used them just now; you said that what occurred at Devonport could not be possibly discovered except by a thorough stocktaking?—By an actual stocktaking.

1372. What was that?—Portsmouth and Devonport were directed to take stock of a certain group of stores; the results were compared at the Admiralty, and apparently the report of Devonport showed a very much more satisfactory state of things than it did at Portsmouth. The Director of Stores, in order to understand the thing thoroughly, sent a man down to Portsmouth without warning, to take the stock, and then on to Devonport to take the stock of similar articles and to report the result. The result showed that the stocktaking at Portsmouth was a genuine and proper one, but the stocktaking at Devonport was rather approximate; so much care had not been taken at Devonport as had been at Portsmouth.

1373. Was the stocktaking in each case done by officers of similar grades?—Yes.

1374. Had you the Admiral Superintendent's signature in each case?—Yes.

1375. Would there be any intermediate officers who would also sign?—Yes; the head of the Store Department at the yard, the naval store-keeper.

Mr. Barran.

1376. Would it be possible in this stocktaking for the Department to issue schedules which would be filled up by the man in the different departments; and when those schedules are filled up for the superior officer to examine and certify those schedules and take them as the actual condition of the stock; I put it to you as a practical man whether that would not meet the difficulty?—I do not see that it would meet the difficulty; the difficulty at present is the acceptance of the stocktaking by a man of not a sufficient status.

1377. Supposing that the man is of sufficient status to have filled up the schedules, then the superior officer takes up the schedule and sees what is represented on that schedule, and he examines the certificate; then he goes on to the next schedule and he certifies that, and so on with the next, and he takes those schedules with him as he certifies each section of the stocktaking; would that meet the case?—It would meet the case if we had a superior officer to do it.

1378. If you had numbered schedules 1, 2, 3, up to 1,000, those schedules would be kept for future reference, and would be numbered in the stocktaking book year by year; does not that occur to you as a practical way of meeting the difficulty?—Practically it is done very much in that way. We take stock on the last day of the quarter

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quarter when the ledgers are balanced; and in that way we have the schedule you refer to.

1379. Have you numbered schedules for each group?—Yes, not by that name; we have a ledger for each group, which is the same thing.

1380. Supposing this paper represents a schedule, there may be two pages of it; that represents one group of stock numbered consecutively from 1 to, let us say, 200; this is certified by the superior officer; he sees that it is there; he knows something about its value and the quantity, and that is handed in to the Department to be filed?—Yes, that is practically what we are proposing to do; it would amount to that.

1381. (To Sir C. L. Ryan.) Do you think that that arrangement would answer the purpose?—The whole question seems to me to resolve itself into some superior officer going and counting the articles. I myself did it at the Portsmouth Dockyard and at Devonport Dockyard, with regard to the particular form for checking the storekeeper's account, which I need not trouble the Committee with now. In one instance, at Portsmouth, I found the number exactly right; but in other instances which we tried at Devonport in no case did they come out right at all. In some cases there were serious discrepancies. Therefore when I say that I think the writers are not of a class sufficiently high to be trusted, and that I do not think the stocktakings are trustworthy, I do not speak without grounds for my opinion.

Mr. Arthur O'Connor.

1382. (To Mr. Gilbert.) Are you acquainted with the system of the return of the remains of stores as carried out at the War Office?—Not thoroughly.

1383. Are you aware that they send an officer from the War Office to the out-station?—Yes, I know about it generally.

1384. Have you nothing of that kind in the Admiralty?—Not now.

1385. What was done in connection with the shortcoming so discovered at Devonport?—A strong censure on the subject was sent to the yard. I was not at the Admiralty myself then.

1386. You do not know what action was taken?—I do not know exactly what action was taken.

1387. Were the officers continued in their positions in all cases?—The officers concerned were the storehousemen and the writers.

1388. Did they remain?—I do not know; it is one of the things I shall inquire into, when I visit Devonport myself shortly.

Mr. Wodehouse.

1389. You say that it is under the consideration of the Admiralty now?—Yes, the system is.

1390. Is the Admiralty likely to come soon to a decision upon it?—Yes; I think it is only a matter of a few weeks.

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Paragraphs 12, 13, and 14 postponed.

On Paragraph 15.

NAVAL STORE ACCOUNTS OF HER MAJESTY'S SHIPS.

Chairman.

1391. (To Mr. Gilbert.) The Comptroller and Auditor General states that the examination of the Store Account of Her Majesty's ships has resulted in the discovery of a large number of errors and discrepancies which have been the subject of correspondence with the Admiralty; he says that taken collectively they appear to show a considerable amount of inaccuracy in the compilation and rendering of the accounts, and further, that the manner in which inaccurate accounts are dealt with in the department of the Director of Stores does not seem to be altogether satisfactory. He points out that the method pursued has received the distinct approval of the Board of Admiralty, as will be seen from the correspondence printed in the Appendix; but it does appear from his Report that the accounts kept are not accurate; the question I should like to ask you is, what value the Admiralty attaches to accounts if they are inaccurate; would it not be better to save the money and not keep any accounts at all?—Well, no, I think the accounts are valuable, though they may not be quite accurate. I do not think it is possible to keep so accurate an account on board ship as it is on shore. I think the conditions under which accounts are kept on board go against keeping so accurate an account. If it is correct in the main I think it is as much as we can expect, or at all events as much as we can hope to obtain from them. We have gone in the direction of simplifying the accounts of ships in order to make it more easy to give accurate accounts.

1392. In the Admiralty letter it is pointed out that there would be a danger if great exactness is required that the accounts of ships would be cooked, but one of the points which the Comptroller and Auditor-General calls attention to, in his letter of the 23rd April 1888, is, that the accounts are cooked under the present system; the very inaccuracy of the accounts leads to their being cooked afterwards?—In making the entry in the account the quantity to be entered is very often an estimate only. If an officer on board ship takes a little thread, for instance, he would not go and measure it accurately; the want might arise in a hurry, and he would afterwards put it down as an estimate as accurately as he could. It would not be like going to a shop and getting an exact quantity.

1393. (To Sir C. L. Ryan.) I suppose the articles that you allude to in your letter are more important articles than I see are taken as illustrations in paragraph 3 of the letter from the Admiralty printed on page 255, such as sail needles and shoemakers' thread?—Yes; I think that the illustrations given there are hardly fair.

1394. Perhaps

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1394. Perhaps you could afford us some further illustrations of the results of the inaccuracies?—I have not got the account of the “Agincourt” here; it has gone back to the Admiralty; but if I were to show the Committee that account I think it would bear me out in saying it is a very inaccurate one.

1395. I think you showed it to me before you returned it to the Admiralty, and the pages of that account were full of corrections all through, were they not?—Yes, it was inaccurate all through.

1396. Consequent upon the endeavour to bring the details of the account into some relation to the result?—That is so.

1397. That is the natural result if accounts are inaccurately kept; they require a great deal of labour, not to say cooking, to make the figures agree?—Yes; there is a large staff kept at the Admiralty for the purpose of making the accounts agree. (Mr. Gilbert.) I do not think it is quite correct to say the staff is kept in order to make the accounts agree with the totals; they call for any explanations that may be necessary.

1398. (To Sir C. L. Ryan.) I think you drew the attention of the Admiralty to these inaccuracies?—Yes; one of the points in this Report is that the attention of the officers was not sufficiently called to these errors; and that was one of the objects of pointing out these particular accounts, which was passed over without notice as if there was no great error involved in these inaccuracies. (Mr. Gilbert.) The “Agincourt” was the ship in question; she is one of the largest ships, and she was what is called a fully-rigged ship; that involves the consumption of numerous stores and large quantities of stores.

1399. Perhaps you will furnish the Report on the “Agincourt” to the Committee, in order that we may see the account itself?—Certainly.

Paragraph 15 postponed.

On Paragraph 16.

ARISINGS IN CONNECTION WITH REPAIRS.

Chairman.

1400. (To Mr. Gilbert.) There appears to have been no practice of bringing into account arisings, which I understand means profits from old materials taken out during repairs or superfluous materials in manufacture?—The establishments of stores on board ships are based on the assumption that such portions of the arisings as may be required will be allowed in addition to the quantities laid down in the establishment; or, in other words, the quantities in the establishment are fixed with regard to the probable arisings from other work.

1401. But ought not arisings to be brought into the accounts, and regular accounts of the arisings kept?—I think it is imposing a duty
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upon the officers on board ships, to watch those arisings, that can hardly be expected of them; they are small arisings.

1402. Are they always small; for instance, supposing that a considerable repair is executed in a ship, may there not be considerable arisings from the old material?—If the repairs are considerable they would as a rule be done by the dockyard officers, who would look carefully after the arisings in order to get credit for them in the account of the cost of the work.

1403. But are they, as a matter of fact?—I think as a rule they are small.

1404. The statement here is specific, that as a matter of general practice the arisings are not brought to account?—In the case of H.M.S. “Thunderer,” I have a note to the effect that the arisings in this case, which were zinc to the value of 2*l.*, copper to the value of 1*l.* 8*s.*, and boiler tools to the value of about 4*s.*, were brought to account. But they are not always brought to account. For instance, in another case, that of some old canvas of the value of a few shillings, they were not brought to account. Then, as against that, I may notice that the ships really might have used 120 bread bags, for cleaning purposes, although in fact they really only used about 50, showing that they utilise the arisings from old canvas, and in other ways.

1405. Do you think that any unnecessary trouble would be caused by requiring an account to be kept of such arisings?—I think it would in some cases.

1406. For instance, in the case of the bread bags you referred to, might not the canvas disappear?—I only quoted the case of those bread bags to show that they did not use so many bread bags as they would be allowed to use under the establishment, the inference being that the arisings from canvas were used instead.

Mr. Arthur O'Connor.

1407. Would it not be the inference also that the establishment was larger than required?—No, I do not think so, because the establishment is carefully calculated and reviewed from time to time; one ship compared with another, and the establishment is altered if it is excessive.

Chairman.

1408. The Comptroller and Auditor General gives some illustrations in the case of the “Thunderer” of some zinc, copper, and boiler tools, which should have been accounted for; have you any explanation to offer as to that?—Those were taken on charge the succeeding year; in the next account they are shown to be brought in charge. (Sir C. L. Ryan.) One of the objects of the paragraph was to show that the Admiralty, when their attention had been called to it, were doing what seemed to us to be right in regard to taking them on charge, though they seemed not to think it necessary.

1409. (To Mr. Gilbert.) The Admiralty can
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scarcely take up the position of saying at one moment that it is not necessary to bring these articles into account, and then the next moment doing it, when their attention is called to it?—Those items are shown in the next account.

Mr. Wodehouse.

1410. Is it your rule that they should or should not be brought on charge?—The practice is that small items are not brought to account. There is no rule laid down; I do not know that there is any law upon the subject.

1411. What is laid down?—I do not think that there is any rule laid down upon the subject except for rigging.

Mr. Barran.

1412. Do I understand that these things are sold, and that no account is kept of them?—They are used. The arisings in the case of old canvas, for instance, are used for cleaning purposes.

Mr. Wodehouse.

1413. You leave it to the discretion of the officer of the ship to determine whether it is a small or large arising?—Yes.

1414. There is no check upon the exercise of his discretion?—No; you must trust the officer of the ship.

Mr. Barran.

1415. In the case of repairs where there is old zinc, or old copper, or other old materials to be disposed of, when they are so disposed of is there any account rendered of them?—Certainly.

1416. In every instance?—Yes.

1417. It is more a question of utilising a thing for one purpose instead of for another purpose, and nothing more than that?—Yes.

Chairman.

1418. With respect to the canvas used on board the "Victoria and Albert" for covering the royal baggage, in the first place, there seems to be no account kept of that, and the practice seems to be to treat it as worn out after it has been once used, and to use new canvas every time the "Victoria and Albert" sails; have you any remark to make upon that?—In that case the canvas used for the purpose was canvas that had been used, and used again, and become what we call third quality canvas; and the value of the arisings was between 4 s. and 6 s.

1419. Why had it only been used once?—It had been used several times and was on its last legs, so to speak, then.

1420. Then do you traverse the statement made by the Comptroller and Auditor General in the third paragraph, on page 211, where he says, "It is issued in quantities of from 10 to 15 yards, and appears to be only used once, after which it is stated to be utilised for cleaning purposes"?—It was only used once after issue as old material; but it was not new when it was issued.

NAVY APPROPRIATION ACCOUNT.

Store Accounts of the Navy, &c.—continued.

Chairman—continued.

1421. Then it is not the general practice to use the canvas only once for that purpose?—Certainly not for this purpose.

1422. Your answer, as I understand, is that the arising in question was of a very small amount, only worth a few shillings?—Yes.

1423. But ought not canvas of the value of even a few shillings to be accounted for; and if it is not accounted for may not that canvas disappear; what is there to prevent its disappearing if an arising of that character is not accounted for in some account?—The amount was small in this case.

1424. That is your only answer?—Yes; it was not worth following, I suppose. It cannot get out of the ship, because, of course, the ship is under police supervision.

1425. (To Sir C. L. Ryan.) Have you any further remarks to make upon the question of arisings?—I think not. The Admiralty are really doing what we suggested they should do, although it seems to be thought not necessary.

1426. You think, as I understand, that an account should be kept in all these cases, even of small amounts?—I think nothing should be allowed to disappear without some record of it, whether it is worth much or little; it is a dangerous practice not to keep any account.

Mr. Arthur O'Connor.

1427. I presume that such a thing as worn canvas or cloth of that kind could not be written off with such particularity that you should say that one part of it has been used for cleaning a window and another part for something else?—It cannot be written off if it is converted into cleaning materials; but if there is any value to be fixed upon it it should be written off.

1428. If it is used as cleaning material it must have a certain value, however lowly the purpose, must it not?—No doubt it has a value in that sense.

Chairman.

1429. What would you do in the case of worn canvas of the value of 6 s. or 7 s.; supposing all that canvas is used for cleaning purposes, how would you treat it?—I do not think in that case that we could follow it any further.

1430. (To Sir C. L. Ryan.) If this explanation had been given to you, that the canvas was in the condition which has been described, and had been used over and over again, perhaps you would not have reported it?—I did not clearly understand that it was in that condition; it was said to be "worn," but worn does not mean necessarily anything more than that it has been used before. I understood that for each fresh voyage that the "Victoria and Albert" takes an issue is made for a stock of canvas; that seems to us to require an explanation.

1431. (To

8 May 1889.]

Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., Mr. RYDER,
Mr. GILBERT, and Mr. YORKE.

[Continued.]

NAVY APPROPRIATION ACCOUNT.

Store Accounts of the Navy, &c.—continued.

On Paragraph 17.

SURVEYS.

Chairman.

1431. (To Mr. Gilbert.) Do you think that such surveys as are described in the Report are of any value. In one case the surveying officers certified that they had “actually seen, counted, weighed, or otherwise satisfied themselves of the substantial existence” of stores as shown on the account, and subsequent examination of the account with the vouchers showed that the account was incorrect, and that the stores could not have been on board?—No, that is not satisfactory. The question of surveys on board ships will, I think, shortly be considered by the Board, with a view of determining whether it is possible to carry out accurate surveys in the manner in which they are supposed to be done now. It is not often possible to get all the stores up from the ship's hold, and take stock as accurately as the account would require.

1432. But such a matter as 100 seamen's bags and 200 hammocks, which are reported upon here, would surely have been discovered by any efficient survey, would they not?—It depends upon where they are stowed, what part of the ship they are in, and where the ship might be on the day when the stock was supposed to be taken, whether she was under weigh or at anchor; it depends upon so many things in the ship. I am inclined to think that we are requiring too much of the ship.

1433. In case of the survey of the “Superb,” about which there is a letter on page 225, articles of the size and nature of iron bedsteads, masts, looking glasses, stretchers, and hanging ships, compasses seem to have escaped observation; could that have happened if due care had been exercised?—I do not know how the ship was situated when the survey was held. If the officer could not take stock it would have been better to have reported the fact.

1434. A survey which fails to discover articles of that character surely can have no value?—No; the question is whether the survey must be abandoned, or what is to be done.

1435. Does not it rather depend upon who conducts the survey?—No, I do not think so; I think it is impossible sometimes to take a proper survey; I mean at fixed periods.

1436. You do not think that these facts reported upon by the Comptroller and Auditor General should give rise to the suspicion that the survey has been conducted in a careless and perfunctory manner, as he suggests?—I think that the comments of the Comptroller and Auditor General are very valuable to show that the surveys are not quite what they profess to be; and I think that the Board of Admiralty will take the whole subject into consideration and endeavour to get at something practicable. At present I fancy it is scarcely possible for the

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NAVY APPROPRIATION ACCOUNT.

Store Accounts of the Navy, &c.—continued.

Chairman—continued.

ships to carry out their instructions. The subject will receive very careful attention.

1437. Would it not be well to ascertain under what circumstances the survey on the “Superb,” for instance, was made, in order to judge whether those excuses could be fairly made for the surveying officers?—Yes; I do not know what was done in that case.

1438. Has not the Admiralty made any inquiry?—I do not know. If I may be allowed I would just read this passage from the Comptroller and Auditor General's Report on page 211, which appears to bear upon the case. “It is stated that hitherto the certificates of the surveying officers have not stated ‘that all the engineers, boatswains, or carpenters’ stores (as the case may be) on board are shown in the account, but only that those shown as remaining are on board.’ It is, however, added that in the revised forms for Store Accounts, now in preparation, the wording of the certificate has been altered so as to require the stocktaking officers to state that the stores shown as remaining, are all the stores of the sort on board.” It appears that the wording of the certificate that was required formerly did not quite meet the case.

Mr. Arthur O'Connor.

1439. Is it in addition to or substitution for the previous certificate?—It is in substitution.

1440. Is that satisfactory; if your original certificate was to the effect that all A. is B., and now you substitute another which says all B. is A., you do not cover the ground, do you?—It is not quite that. “In the revised form for Store Accounts now in preparation, the wording of the certificate has been altered, so as to require the stocktaking officers to state that the stores shown as remaining are all the stores on board.” In this case under consideration they were surpluses.

1441. The original certificate certified, did it not, that all the stores shown as remaining are on board?—Yes, that all the stores shown as remaining in the account were on board.

1442. Now you propose, as I understand, to substitute another certificate, which will be that all on board are shown in the account?—No; it will be that the stores shown as remaining by the account are all the stores of that sort that are on board, that is, that the account is complete.

1443. Then this new part is not in substitution, but in addition to the old certificate, is it not?—No; it would be in substitution, I think.

1444. I do not make myself clear, I am afraid. At present they have, as I understand, a certificate which sets forth that all the stores shown in a certain account as remaining are on board?—Yes.

1445. It may be of course that there are on board other stores, which are not shown on the account?—Yes.

1446. Now the certificate proposes to turn round

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Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., Mr. RYDER,
Mr. GILBERT, and Mr. YORKE.

[Continued.]

NAVY APPROPRIATION ACCOUNT.

Store Accounts of the Navy, &c.—*continued.*Mr. Arthur O'Connor—*continued.*

round and say all the stores on board are shown in the account?—Yes, that the stores shown as remaining are all the stores of that sort on board.

Chairman.

1447. That is to say, for instance, if there were a return of a certain number of iron bedsteads, the new form would say, this is the number of iron bedsteads on board, and there are no more on board; it is complete?—Yes. (Sir C. L. Ryan.) We understand it in that sense.

Mr. Wodehouse.

1448. (To Mr. Gilbert.) But the certificate will not avert the recurrence of such a mistake as this, where the surveying officers certified that they had weighed and counted stores which were never on board at all?—The certificate did not apparently quite meet the case. If a proper survey were not held, and if they still chose to sign that certificate, of course you could not prevent that.

1449. The alteration of the terms of the certificate does not absolutely insure the accuracy of the survey, does it?—No; I think that the question of stocktaking on board ship will have to be reconsidered altogether.

Mr. Barran.

1450. Would that be met by the suggestion which I made with regard to schedules on board ships by dividing the stores into certain groups?—They are so divided already.

1451. What I mean is to have the schedules filled up by the men having charge of the different departments, and then the surveyor to go and see whether the things in the schedule are in existence?—That is exactly what they are supposed to do, only that the people who are supposed to go and see whether they really exist cannot do it.

1452. Why?—Because the service upon which the ship may be employed may prevent it. At certain periods they are supposed to do this, but they may be at sea, or all sorts of things may come in to prevent it.

Chairman.

1453. Is not that an excuse that may be very readily made, but which should be accepted with a great deal of suspicion by the Admiralty?—Certainly; it wants very careful consideration.

Mr. Barran.

1454. Supposing the ship to be at sea and the surveyor is on board, are not there a number of men who could be told off to do this work on board ship when the ship is under weigh?—Stocktaking is a very minor thing in the eyes of officers, who exist to perfect themselves in gunnery and looking after machinery and all that sort of thing; they do the more important duties first.

NAVY APPROPRIATION ACCOUNT.

Store Accounts of the Navy, &c.—*continued.*Mr. Barran—*continued.*

1455. Would you use that argument with regard to a manufacturer, and say that he must keep his machinery going, that stocktaking was a very secondary thing, and that it must go to ruin rather than stop his machinery?—No; but the manufacturer exists to manufacture goods only.

1456. He exists also to economise the working of his business, does he not, in order not to get ruined; this is a question of economy in management, is it not?—Yes.

1457. I do not see why there should be any great objection in this case to what I suggest?—There would be no objection, but I say that it would be very difficult to do it. I am speaking, of course, as a non-seaman; I am rather echoing the opinions of others than speaking from facts. I have had a great deal to do with naval officers, and I find them very anxious to meet us in every way, but they represent that we are requiring impossibilities from them sometimes.

1458. How long would it occupy to take stock of a ship's stores supposing it to be divided into 15 or 20 sections?—It depends upon the ship; it depends upon where her store rooms are. The store rooms in some ships are very much more conveniently placed than in others.

Mr. Arthur O'Connor.

1459. Combatant officers, I presume, do not care to do warehousemen's duties?—I do not suppose they care to do warehousemen's duties; but at the same time they are very willing to put their hands to anything; that is my experience of them as a rule.

On Paragraph 32.

SURVEYS ON UNSERVICEABLE STORES AT
FOREIGN NAVAL PRISONS.

Chairman.

1460. (To Mr. Gilbert.) It seems that no special instructions concerning surveys have been issued for foreign naval prisons; is there any reason why such regulations have not been issued?—The instructions are, I believe, that the stores are to be surveyed by the visitors. The visitor in this case was the Commander-in-Chief, and the captain in charge, who was the senior officer under him, as I imagine, in consequence of this instruction, directed a higher division clerk to take the stock, and he did it.

1461. Is that an independent survey?—Yes, that would be an independent survey.

1462. That has been done, has it not, in consequence of the Report of the Comptroller and Auditor General?—No, it was done before.

1463. You say that there is an independent survey?—Yes; in that way there was an independent survey.

1464. Both

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Mr. GILBERT, and Mr. YORKE.

[Continued.]

NAVY APPROPRIATION ACCOUNT.

Store Accounts of the Navy, &c.—continued.

Chairman—continued.

1464. Both on the receipt and the condemnation of stores?—It would be both on the receipt and condemnation if there were any stores condemned; I do not know whether there were any stores condemned in this case.

1465. Is that done under the regulations?—That is done under the instructions of the senior officer at Bermuda.

1466. How long has that been going on?—Since January 1885.

1467. (To Sir C. L. Ryan.) Does not that explanation satisfy you?—We went upon the statement of the Admiralty itself, which says that no special instructions have been issued with regard to the survey of naval prisons abroad. If that was a mistake, and there are instructions and they are observed, of course it would be satisfactory.

1468. (To Mr. Gilbert.) Could you hand in the instructions to which you refer?—There is no instruction in that sense. The instruction I refer to is contained in Article 164, which says that "when any stores are considered to have become unfit for use, they are to be surveyed by the visitors," and in this case of a foreign station the visitor was the Commander-in-Chief.

1469. You are quoting, I think, from the instructions as to prisons at home, but the same instructions do not apply to the prisons abroad, do they?—The foreign stations are referred to

NAVY APPROPRIATION ACCOUNT.

Store Accounts of the Navy, &c.—continued.

Chairman—continued.

in these regulations. (Sir C. L. Ryan.) It was the contrast between prisons at home and abroad that we desired to point out, in this paragraph.

1470. (To Mr. Gilbert.) What are the instructions with regard to the survey of unserviceable stores at foreign naval prisons?—These are the instructions on foreign naval stations. Article 16 provides, "On foreign stations the Commander-in-Chief shall take every convenient opportunity of visiting each naval prison within the limits of his command, in addition to the annual inspection required by Article 12." There is no special instruction in regard to survey. I am only pointing out that in this case the case was met by the instruction that exists. The visitor, who was the Commander-in-Chief in this case, was responsible, and apparently he took the necessary steps to have the stock surveyed.

1471. When you quoted just now from Article 164 of the Rules and Regulations for Naval Prisons, were you quoting from a regulation which applies to foreign prisons?—Yes, I was.

1472. That regulation does apply, you say, to foreign naval prisons as well as to home prisons?—Yes.

1473. (To Sir C. L. Ryan.) Have you anything more you wish to say with regard to this point?—No; we shall understand that that is the regulation in future.

[The Witnesses withdrew.]

Wednesday, 15th May 1889.

MEMBERS PRESENT:

Mr. Barran.
Sir Walter Barttelot.
Mr. Sydney Buxton.
Mr. Jackson.
Sir Ughtred Kay-Shuttleworth.

Sir John Lubbock.
Mr. Arthur O'Connor.
Mr. Salt.
Sir Richard Temple.
Mr. Wodehouse.

SIR UGHTRED KAY-SHUTTLEWORTH, BART., IN THE CHAIR.

NAVY APPROPRIATION ACCOUNT, 1887-88.

Mr. EDWARD W. HAMILTON, C.B., Sir CHARLES LISTER RYAN, K.C.B., and
Mr. G. L. RYDER, re-called; and further Examined.

STORE ACCOUNTS OF THE NAVY.

Mr. W. G. P. GILBERT, re-called; and further Examined.

On Paragraph 7 of the Report of the Comptroller and Auditor General.

STEEL PLATES RETURNED INTO STORE AT CHATHAM.

Chairman.

1474. CAN you give us any more information to-day about the plates for H.M.S. "Rodney," about which you were asked on the last occasion?—I have sent an officer to Chatham to get all the information obtainable. It appears that altogether 24 plates of seven different sizes, weighing in all about 4 tons 13 cwt., which had been ordered specially for the "Rodney," but which, by reason of delay in delivery, and to prevent any stoppage in the work of the ship, had to be replaced by other plates from stock. Those intended for the "Rodney" were taken into stock, and have all been used without incurring any loss. This case illustrates the advantages of maintaining a small reserve stock.

Chairman—continued.

1475. Then with respect to the question as to whether the plates in stock needed to be cut in order to suit the "Rodney," can you give us any information?—No, we cannot tell at this period whether they were actually cut; but we have no reason to believe that they were used at a loss.

1476. As to the plates for the "Rodney" which went into stock, not being needed for the "Rodney," does it turn out that they were ordinary plates suitable for stock?—Yes; they have been used since without incurring any loss.

NAVAL STORE ACCOUNTS OF HER MAJESTY'S SHIPS.

On Paragraph 15.

Chairman.

1477. (To Mr. Gilbert.) Have you the Papers with respect to the "Agincourt" with you, as to which you were asked on the last occasion?—I have.

1478. Will you show them to the Committee?—These are the Papers (*handing in the same*). I have a Memorandum in regard to them which perhaps would assist the Committee.

1479. Perhaps you could tell us shortly what that Memorandum contains, and then hand it in?—This is a statement which explains the dis-

Chairman—continued.

crepancies which were discovered on the examination of the account. The discrepancies have been divided into four categories in this Memorandum, which I will hand in (*handing in the same, vide Appendix*).

1480. Is this book which you have handed to me, containing the account, the same book which was before the Comptroller and Auditor General?—Yes.

1481. By whom are the alterations in red figures in this account made?—By the examining officers at the Admiralty.

1482. The original figures in black ink having been

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and Mr. GILBERT.

[Continued.]

NAVY APPROPRIATION ACCOUNT.

Store Accounts of the Navy, &c.—*continued.**Chairman*—continued.

been the figures of the officers of the ship?—Yes I may explain that we estimate the value of what we call the balance; that is, the difference between the surplus and the deficiencies to be about 10 £., the value of the whole stores in question, being about 7,500 £.

Mr. Jackson.

1483. Do you mean that the total value of the alterations represents 10 £.?—What we call the balance (that is the difference as between the value of the surpluses, and the value of the deficiencies) would be about 10 £. roughly; and we estimate the value of all the stores in the ship in charge of that officer was about 7,500 £. roughly.

1484. Does that mean as regards the black figures, which are presumably the figures of the officer who kept the account, some of them are wrong in one direction, and some of them are wrong in the other?—That is so.

1485. And on the balance there is a difference of about 10 £.?—Yes, about 10 £.

1486. On which side?—In favour of the Admiralty, in favour of the public.

Chairman.

1487. You mean, as I understand, that so much less of the twine and other articles have actually been used than appears in the account?—Yes.

Mr. Arthur O'Connor.

1488. Does the Admiralty regard that as a kind of satisfactory compensating balance?—It regards it as satisfactory in a sense certainly, under the system as it existed when these accounts were kept.

1489. That is to say, if, on the one hand, the officers do not charge themselves with as much as they ought to have charged themselves with, yet if, on the other hand, they charged themselves with more of other articles than they ought to have done, the Admiralty are satisfied with the account, which in every item may be wrong, but which, upon the whole, does not appear to be very far from what might have been expected?—I should hardly say we were satisfied, because we were not satisfied with the system of accounts as it was then; and we altered it in order to make it easier to keep an accurate account.

1490. I was rather upon this point; you seemed to dwell upon the fact that the balance was rather in favour of the Admiralty?—It showed that the account was substantially correct on the whole.

NAVY APPROPRIATION ACCOUNT.

Store Accounts of the Navy, &c.—*continued.**Mr. Arthur O'Connor*—continued.

1491. But might you not have that result with a very long account, every single item in which on both sides was inaccurate?—Yes.

1492. And which for practical purposes was useless?—I do not know that you could say that for practical purposes it was useless. You might possibly have that result notwithstanding that the account would be full of inaccuracies in posting.

1493. The accuracy of account, which is of value, is accuracy of detail?—Yes.

1494. Unless you have accuracy of detail the accounts are really worthless; is not that so?—I do not think they are worthless. You cannot get such accuracy of detail on board ship as you can on shore. The conditions of service on board make it impossible to get the same accuracy of detail as you might think necessary on shore.

Mr. Jackson.

1495. As regards the separate items which are charged in that account, are they the result of actual measurements or weights, or are they estimated?—In a great many cases they were estimated.

1496. That, I suppose, accounts to some extent for the inaccuracy of the totals?—Yes.

On Paragraph 17.

SURVEYS.

Chairman.

1497. (To Mr. Gilbert.) Referring to your answers Nos. 1433 and 1437, can you now give us any further information as to the circumstances under which the survey was made in the case of H.M.S. "Superb"; you told us that you did not know how the ship was situated when the survey was held?—I am not in a position to furnish that information.

1498. Perhaps you will furnish it to the Committee in writing?—I will do so.

1499. Have you anything else you desire to hand in?—I would like to put in a Paper with regard to surplus stock of the electro plate, china, earthenware, &c., at Malta.

1500. Is it explanatory of your answer given on the last occasion with reference to that matter?—Yes; it is fuller. I would also desire to supplement my replies to the question dealing with the issue of stores and the alteration of the system as to checking the demands made by ships, by handing in this statement, if you will allow me.

1501. Will you hand those statements in?—Yes (*handing in the same, vide Appendix*).

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[Continued.]

NAVY APPROPRIATION ACCOUNT.

Store Accounts of the Navy, &c.—continued.

Mr. H. F. R. YORKE, re-called ; and further Examined.

On Paragraph 13.

VICTUALLING YARD STORE ACCOUNTS.

ISSUE OF MESS TRAPS.

Chairman.

1502. I OBSERVE that in the case of H.M.S. "Polyphemus" a gratuitous issue of mess traps was made in 1886, the previous issue having been made in 1882 ; and then a further gratuitous issue was made in 1887 ; can you add anything to the explanation which the Admiralty have already given of those issues ?—I can add nothing more than to say that when the gratuitous issue was made in 1886 it was not known at the Admiralty that the "Polyphemus" would be re-commissioned in 1887 ; if that had been known, of course it would have affected the issue.

1503. It is the fact, is it not, that the mess traps thus issued become the private property of the officers of the ship ?—Yes ; on the ship paying off they do.

1504. On what ground is that ?—Formerly the officers had a money allowance when ships were fitted out ; but in order that ships might be fitted out very rapidly the Admiralty decided they would give them an issue to that extent in kind.

Mr. Barran.

1505. What do they consist of principally ?—All sorts of articles of crockery and cooking gear, and so on.

1506. Tea pots ?—Tea pots and those sorts of things.

Chairman.

1507. Has the Admiralty considered the suggestion of the Comptroller and Auditor General whether a proviso should not be appended to the regulations, so that when a ship is re-commissioned, mess traps which have only been in use for a short time shall still be regarded as the property of the Crown and returned into store ?—Yes, the Admiralty have considered that ; but these cases I should say occur very rarely.

1508. When they do occur they occasion a loss of public money, do they not ?—Yes, there is a small loss. There is one difficulty, namely, that during the time that may have elapsed, say of 18 months, certain articles might have been obtained by the officers from one of the victualling yards on repayment (which is a privilege they are allowed), and there would be some difficulty in deciding what was their property, and what was Crown property. I should also say when it is known that the ship will only be in commission for a short time the mess traps do not become the property of the officers, but remain Government property, and have to be returned on that commission ending.

1509. Is it clear that the issue in this case in 1886 was a correct issue ; because it appears

Chairman—continued.

as if the "Polyphemus" had been a seagoing ship, and not a stationary ship at that time ?—It was correct with the information that was then to be obtained. It was not then known that she would go where she did go ; and it was considered wiser to treat her as though she would remain as she was for three or four years. The matter was carefully considered at that time.

1510. May it not often happen as in this case, that a ship treated as a stationary ship is commissioned, and therefore receives a gratuitous issue of mess traps ?—No, it very rarely happens, because we know all the ships that are stationary ships. For instance, ships in the channel are constantly paid off and re-commissioned ; they get their mess traps for three years ; stationary ships in harbour get them every four years.

1511. In the case of war, might not ships which you regard as stationary ships have to go to sea ?—Yes, but I do not see that we could make any better rule.

1512. You admit that there is a loss in each of these cases ?—I admit the loss, but it is a small loss.

1513. What sort of loss was there in the case of the "Polyphemus" ; could you tell us exactly the value of the issue in 1886, and of the further issue in 1887 ?—The exact value in 1886 was 85 £, and the exact value in 1887 was 75 £ ; but you must bear in mind the articles had lasted for 18 months.

Mr. Jackson.

1514. The ordinary period, I understand, for the issue of these articles is about 3½ years ?—Yes.

Sir Richard Temple.

1515. What would the loss be ?—I have not worked it out.

Mr. Jackson.

1516. Do I understand it would be one-fourth of the 85 £ ?—We should make a deduction from the amount ; if these mess traps had remained Government property, which is what is done when it is known that the ship would in commission for a short time, an allowance is made of from 4d. to 8d. a day to the steward who has charge of the article, and being Government property that would have to be deducted ; that would amount to 8 £. or 9 £. for the 18 months. When these mess traps go to the victualling yard, their value to the victualling yard would be very much smaller than it would be to the officers, because many of them could not be issued to officers again as a new article.

1517. (To

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Mr. GILBERT, and Mr. YORKE.

[Continued.]

NAVY APPROPRIATION ACCOUNT.

Store Accounts of the Navy, &c.—*continued.**Chairman.*

1517. (To Sir C. L. Ryan.) After the explanations which have been given, would you adhere to your suggestion?—The suggestion is rather one for the Admiralty to consider than for me to express any definite opinion upon, but that case appearing upon the test we applied to that year, as it seemed to be a case of possible loss to the public, we thought it our duty to call attention to it.

Mr. Jackson.

1518. (To Mr. Yorke.) You said that the Admiralty had considered this suggestion; but you did not follow that by saying whether they had taken any action upon it, or decided to take action?—They decided to leave matters alone.

Mr. Sydney Buxton.

1519. I gather in your opinion the whole matter is a very small one, as the total loss is small?—I think the present arrangement does not work with disadvantage to the Crown.

Mr. Wodehouse.

1520. You will notice that the Comptroller and Auditor General says "that the Queen's Regulations do not define the conditions under which a ship is to be considered as stationary;" let me ask you, is there any definition elsewhere known in the Admiralty?—No, there is no actual definition; one has to ask for instructions when such a case arises, as to which would be really the most economical way of treating them.

1521. You can suggest no definition for the purpose?—None that would prevent the possibility of a change afterwards, and therefore defeat itself.

On Paragraph 14.

EXCESSIVE STOCK OF SACRAMENTAL
WINE AT MALTA.*Chairman.*

1522. (To Mr. Yorke.) There seems to have been in another particular besides those which have already been before the Committee an excessive stock at Malta, namely, in the case of sacramental wine; can you give the Committee any information upon that subject?—I can really only repeat what I have already pointed out to the Comptroller and Auditor General, namely, that a mistake was made in my department in not taking into account, when orders were given for the wine to be sent out in 1885, the quantity that was then in stock at Malta. This mistake was discovered in January 1887, naturally before the question came before the Comptroller and Auditor General, and the attention of the superintending storekeeper was directed to the necessity of showing in his monthly return the quantities of all articles of provisions in store. He had omitted to note the quantity of tent wine in his previous returns, and the mistake may be said to be partly attributable to that.

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NAVY APPROPRIATION ACCOUNT.

Store Accounts of the Navy, &c.—*continued.**Chairman—continued.*

1523. Then, in respect to the 227 bottles which were treated as unserviceable, it appears it is the intention of the Admiralty to sell the wine, but the only explanation given is that this description of wine has "ceased to be issued;" is that because that particular kind of wine has gone out of fashion?—No, it cannot be said to have gone out of fashion, but a new kind of wine had been instituted, and therefore, though it is possible that this wine might have been made fit to be issued again, it was considered on the whole more advisable to sell it.

1524. There is no allegation, as I understand, that it was unfit?—I may say that directly I discovered that this stock was too large at Malta I ordered the surplus quantity to be sent home on the first opportunity, free of expense. On its being surveyed at Deptford 450 bottles were found to be thick, but were made fit by refining; 96 bottles were quite fit, and those 227 bottles, the remainder, were all more or less thick.

1525. Then do you dispute the statement of the Comptroller and Auditor General, that the reason which governed the action of the Admiralty was as much that this description of wine had "ceased to be issued" as that it was thick?—It was partly the one and partly the other; I do not dispute that statement at all.

1526. Supposing you have 227 bottles of wine remaining of a kind of wine that no longer is issued, why should that not be used before the new kind of wine is issued?—It would have been if it had not been in such a state that it was a doubtful point whether it could be made fit; we made fit all that we saw could be made fit.

Mr. Barran.

1527. What time of the year was it returned?—I do not remember; I observe in this paragraph it says it was in March.

Chairman.

1528. (To Sir C. L. Ryan.) Have you anything further to say upon this point?—I think not. The statement was made upon Admiralty information, and is a quotation from the Admiralty itself.

Mr. Salt.

1529. How was the order originally given for this extra quantity?—In the ordinary way of replenishing stock, but, as I said before, the quantity in stock at Malta was not taken into account.

1530. Does not the quantity for this particular purpose seem very large?—There is a little mistake in this matter as to the bottles. The Comptroller and Auditor General states that the consumption in three years amounted to 94 bottles, and he speaks of 47 dozen being sent out. I should explain that some three or four years ago the size of bottles was advisedly altered and made very much smaller, and the 47 dozen he refers to appear to be quarter-pint bottles, and the

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[Continued.]

NAVY APPROPRIATION ACCOUNT.

Store Accounts of the Navy, &c.—*continued.*Mr. Salt—*continued.*

the 94 bottles are pint bottles, so that reduces the difference.

1531. Are we dealing with quarter-pint bottles in this instance?—In some cases but not others.

Mr. Sydney Buxton.

1532. Is there any reason to anticipate that such a mistake as this will not occur again in regard to other articles sent out to Malta?—Such a mistake should not have occurred at all.

1533. In this answer which is quoted here by the Comptroller and Auditor General, from the Admiralty to the Treasury, it is said that “provisions are sent out from England to Malta without reference to the annual estimate from that yard.” How do you account for the “provisions being sent out to Malta without any reference to the annual estimate from that yard?”—Because we do not require an estimate for provisions from each yard: we regulate that at home; we merely require a statement of the quantity in stock.

1534. Would it not be more likely to lead to accurate supplies being sent out if the local people were to give estimates of what they require?—I think not in the case of perishable articles like provisions. That has been considered several times at the Admiralty. Very often the Admiralty know more what is going to happen at a station than the storekeeper there.

1535. In this particular instance, I understand, it was purely a blunder?—It was purely a blunder.

Mr. Arthur O'Connor.

1536. Has the increase of supply led to an increase of consumption in that case?—Certainly not.

On Paragraph 18.

VICTUALLING AND CLOTHING ACCOUNTS
OF HER MAJESTY'S SHIPS.ISSUES OF GRATUITOUS CLOTHING NOT
SUPPORTED BY RECEIPTS.*Chairman.*

1537. (To Mr. Yorke.) It seems that certain issues of gratuitous clothing were not supported by the personal receipts of the men, although in the case of similar issues to Royal Marines personal receipts are invariably taken; can you explain that?—At the time this question was raised by the Comptroller and Auditor General I brought the matter to the notice of the Board, and pointed out that to obtain personal receipts from the men would involve labour and inconvenience on board ship; and if it were decided to obtain such receipts in those cases, it appeared probable that receipts would be pressed for in other cases of similar gratuitous issues on board ship, such as gratuitous issues of certain articles

NAVY APPROPRIATION ACCOUNT.

Store Accounts of the Navy, &c.—*continued.**Chairman—continued.*

of provisions to men employed on surveying service, and gratuitous issues of soluble chocolate to ships in all parts of the world. The Board approved the answer which I sent. Since that time I have recommended to the Board, and they have approved, that the vouchers for the issues to these men of the Naval Reserve shall be a nominal list with their enrolled numbers and the clothing issued to each, instead of merely a certificate as we have at present, and that on its receipt it shall be referred to the Office of the Registrar General of Seamen for verification, and accepted in the accounts on his certificate that they are in proper order. I think that that will probably satisfy the requirements of the Comptroller and Auditor General, but that of course I do not know.

1538. Why should a different course be pursued in this case to that which is pursued with regard to similar issues to the Royal Marines?—Because when the marines go back to barracks certain issues have been made to them, and it is necessary for the officers to know whether those issues have taken place while they are away from barracks. It is different with the reserve men; the issues to the reserve men are simply made when they are on board ship.

1539. (To Sir C. L. Ryan.) What have you to say with regard to those recommendations?—So far as I have been able to gather them I think they are very likely to meet the requirements of the case, but I should like to see them in writing before I express a definite opinion upon them.

On Paragraph 19.

CONDEMNATIONS OF VICTUALLING STORES.

Chairman.

1540. (To Mr. Yorke.) Stores which are not of Navy manufacture, and which are not in service packages, seem to have been condemned, and we are informed by the Admiralty that it has always been the practice to put aside for sale provisions returned from ships on paying off which have been obtained from other than naval sources; is that an economical mode of proceeding; might it not be that provisions which had been obtained from other than naval sources were fit for use and were appropriate for reissue to ships?—It has always been the custom, because it is an understood bargain with the men that they shall have provisions of the ordinary naval quality, which we contend are better than those which would be bought abroad. The reason why this has always been done is, that it certainly would give great dissatisfaction to the men to change the system.

1541. Take, for instance, the 30 lbs. of Colman's mustard; was there any reason why the 30 lbs. of Colman's mustard should not be used, instead of being sold probably at a loss?—The Admiralty issue their own mustard, which they make themselves,

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Store Accounts of the Navy, &c.—*continued.**Chairman*—continued.

selves, and which they think is very much superior to Colman's mustard. If these provisions are fairly good they fetch a very fair price.

1542. I see in this paragraph the next statement made on behalf of the Admiralty is, "that if such stores are in good condition they realise good prices;" is it the fact that in selling stores you are able to obtain anything like the same prices that have been given for those articles?—I will not say the same prices, but very good prices; biscuits, for instance, we could sell for very good prices.

1543. At all events, comparing the prices with the prices at which the articles are bought, there would be a considerable loss, would there not?—Clearly there is a loss.

1544. When they are fit for reissue why should they not be reissued?—Because they are not in our packages, and therefore the men would find out at once that these things were not the same, and it would cause discontent. That is the real reason, and as a rule the articles are inferior.

Mr. Jackson.

1545. Where would these articles have been acquired?—They would be shipped on the way home from a foreign station; they might be bought at Valparaiso, or any part of the world. Of course they could not calculate exactly what would be their requirements, to bring them home.

Chairman.

1546. These particular stores seem not to have been condemned because they were not good; the biscuit, for instance, was simply condemned because it was of foreign or private manufacture?—As to the biscuit, of course a man would see in a moment that it was not a Navy biscuit, because it is a different shape.

1547. You allege, in addition to the reasons given in the correspondence, that the men would be dissatisfied if such stores were issued?—Certainly. As you mention specially the biscuits, I may say that even if it were our own biscuit and had been kept in ordinary bags, coming from a ship like this, which had come home from a foreign station, it would probably be unfit to keep in store and to be reissued to a ship at the end of four or five months.

1548. If a ship came home with 12,000 and odd lbs. of biscuit of your own you would probably sell them?—Very likely; it would depend upon where she came from and how the biscuit had been kept; it might have been kept in tanks or it might have been kept in bags. It would, of course, be surveyed.

1549. I see also that 5,000 lbs. of biscuits were condemned which were received on board H.M.S. "Agamemnon" from the Hong Kong Victualling Yard, in bags, in November 1885; and a further supply of biscuit had been drawn by the "Agamemnon" at Gibraltar, and had been used, in spite of the regulations against the use of 0.60.

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Store Accounts of the Navy, &c.—*continued.**Chairman*—continued.

biscuit last received before the original store had been consumed; have you any further explanation to offer upon that subject?—First, I should like to say that the 5,000 lbs. of biscuit which was condemned cannot have been condemned in consequence of the 2,000 lbs. being issued out of turn.

1550. Was it not 8,000 lbs. issued out of turn?—No; I think only 2,000 lbs. was issued out of turn.

1551. You mean that of the 8,000 lbs. that were drawn at Gibraltar 2,000 lbs. only were issued out of turn?—Yes.

Mr. Sydney Buxton.

1552. Do I understand that there is 100 lbs. to each case?—Yes.

Chairman.

1553. That, at all events, led to the 2,000 lbs. of biscuits taken in at Hong Kong being sold?—It may have led.

1554. Why do you say it "may" have led?—The biscuit was received on board from Hong Kong in 1885, and the issue took place out of turn in August 1887, and the condemnation took place in December 1887. I do not think it follows that the issuing of the 2,000 lbs. out of turn can be assigned as a cause of the condemnation of even 2,000 lbs.

1555. But if the 2,000 lbs. had not been used out of turn 2,000 lbs. of the biscuit taken in at Hong Kong would have been consumed?—Yes; I beg pardon, you are quite right.

1556. Therefore to the extent of 2,000 lbs. an unnecessary sale was caused, was it not?—No, I should think not, because I should now explain why it was issued out of turn. The regulations of the Admiralty are that all provisions are to be issued strictly according to age. When this issue out of turn on board the ship took place they were called upon to report the reason, and the reason is as I have stated here; that in consequence of their not having room to stow these cases in the bread-rooms the captain approved of the issue of the contents of the 20 cases first, because he did not wish to have his ship longer than necessary lumbered up with these cases.

1557. Does not that look rather as if there was no need to have taken additional biscuits on board at Gibraltar?—I think not, but that is hardly a point upon which the Admiralty could interfere. The reason that the biscuit had been taken on board at Gibraltar was, because there was cholera at that time at Malta, and the ship could not provision there.

1558. To what port was she bound when she touched at Gibraltar?—She went first to China, and from China to the Mediterranean.

1559. But where was she bound to from Gibraltar?—I could not tell you that. She was going up the Mediterranean, but I could not tell you without referring exactly where she was going to. But the ordinary victualling dépôt on that station was at that time out of use on account of the quarantine.

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1560. She was not returning home?—No; therefore it would be her business to provision at Gibraltar.

1561. (To Sir C. L. Ryan.) Have you any further remark to make with regard to this matter?—I think not. It was a case of loss apparently from want of observance of the regulation, and therefore we thought it necessary to notice it.

Mr. Arthur O'Connor.

1562. (To Mr. Yorke.) Is it so clear that it was the violation of the regulation that led to loss in this case, because I observe these 5,000 lbs. of biscuit, when taken on board at Hong Kong, were of unknown antiquity; and perhaps in 1887 they were altogether beyond the age at which they could be used?—It is possible they were; I can give you the age if you want it; age unknown does not mean we cannot give the age if it is required.

1563. They may have been old, I presume?—They would not have been old in that case, because at Hong Kong the biscuit is supplied by contractors there. They are not Admiralty biscuits, I think.

1564. I understand that you tell us that all supplies got from contractors are “invariably inferior to the Navy standard”?—Perhaps the word “invariably” is too strong.

1565. Does it necessarily happen that at the time these 8,000 lbs. were taken on at Gibraltar the other biscuits were fit for use; possibly they were not, I suppose?—Possibly they were not. This occurred in August and the condemnation took place in December, so possibly they may have been unfit.

1566. Very likely they were not?—“Age unknown” would not apply to contractors’ biscuits; they would be fresh at that time if they came from contractors, as I think they did.

Mr. Jackson.

1567. The paymaster, who explains why he issued them out of turn, does not suggest as a reason for doing so that there was any question as to the quality of them?—No, there is no attempt to show that in the explanation given here.

Mr. Arthur O'Connor.

1568. He had two possible lines of defence, and he took one of them, I suppose, in his reply?—That was the actual reason why it was issued out of turn; that the captain ordered it to be issued, because he did not wish to have his ship lumbered up longer than was necessary.

Mr. Sydney Buxton.

1569. Where was this biscuit condemned?—I could not tell you that off-hand.

1570. Was the ship being paid off?—I ought to know, but I am afraid I cannot tell you at this moment.

NAVY APPROPRIATION ACCOUNT.

Store Accounts of the Navy, &c.—*continued.**Mr. Sydney Buxton—continued.*

1571. I understand that these 20 cases containing 2,000 lbs. were served out of turn; and when they were consumed they came upon the 5,000 lbs., and they then discovered that they were bad?—I think it was the next issue.

1572. Would it have been possible for them to have consumed the whole 8,000 lbs. before they began on the 5,000 lbs.?—The 8,000 lbs. were not consumed, as a matter of fact.

1573. Would it have been possible to do so?—It would have been possible, but they would have had to furnish reasons for doing so.

1574. With regard to the first case in this paragraph, who is responsible for the large purchase of biscuit, of nearly 13,000 lbs., which turned out not to be wanted?—The responsibility of seeing that the ship is properly supplied with provisions and stores rests either on the captain of the ship, if he is by himself, or on the commander in chief at the station.

1575. Was any one blamed for this large purchase of stores which were condemned because they were not Admiralty stores, these casual purchases?—No, because the officer was merely keeping his ship victualled up to the state in which probably the commander in chief has ordered him to do.

Mr. Wodehouse.

1576. Do you say that there is a strong prejudice among the men in the Navy against all stores which are not of Admiralty issue?—I did not mean that, but what I meant was, if the Fleet generally are receiving biscuit or any stores of a particular kind (this is of our pattern), if on one or two ships an attempt was made to issue something different, even if it were better, the men would complain very much.

Chairman.

1577. In the case of any ship coming from Hong Kong, would the biscuits necessarily be condemned because the biscuits taken in at Hong Kong were not of Admiralty manufacture?—Not necessarily, but they would probably; practically if they were not of Admiralty manufacture.

1578. Although you have a contractor at Hong Kong, and although it is your habit to take in certain biscuits there, it is also according to your regulation and your habit, I understand, as soon as the balance of those biscuits arrive in this country to condemn them and sell them?—The biscuits would not be brought home; that is to say, they would have the smallest possible quantity on board.

1579. Whatever balance there is you would sell?—They would not, as a matter of fact, be reissued.

Mr. Wodehouse.

1580. When you say the men complain if they do get stores not of the Navy manufacture, do you speak from experience?—Yes, I do; I speak from

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from experience of the bluejacket; having been in the Navy myself I know that he is very suspicious.

1581. You know that they are always ready to complain, even though the stores may not be substantially inferior?—Certainly.

Mr. Barran.

1582. Is not that largely the result of the prejudice of the men against reissues; they know that these stores have been out in some other vessel, and they object to receive stores which have been out in another vessel as the regular regulation supplies; is not that it?—I think it would be more an objection to anything which they would look upon as an attempt on the part of the Admiralty to economise and use up old stores.

1583. The thing might be quite as good, and even better, but they would object to the principle; is that so?—Yes, I think so.

Chairman.

1584. Attention is also called to the condemnation of considerable quantities of biscuits, 89 lbs. of tobacco, 95 bread tanks, and a very large quantity of mess utensils, which had been placed on board certain ships temporarily commissioned in July 1887 for the purposes of the Jubilee Naval Review and subsequent manœuvres; the stores were on board about two months; but it is stated that they were under very "disadvantageous circumstances," and consequently they were condemned; have you any further explanation to add?—I see that I did not point out to the Comptroller and Auditor General what the "disadvantageous circumstances" were. I might say that there were a large number of ships commissioned at once at very short notice, and there was a natural desire on the part of all concerned to get the ships ready for sea in the shortest possible time; and after the review the ships were employed in the manœuvres, which necessitated their being a great deal at sea and in bad weather. Again, on paying off, everything was done in the shortest possible time. Therefore, the condemnation of those articles for the two or two and a-half months would be very much larger than if it had been an ordinary commission of more than double the time. I think it is a necessity of mobilisation, which means commissioning ships at the very greatest possible speed, that there would be a great many more condemnations.

1585. Do you think that due care was not exercised during the time that those stores remained on the ships?—No; I think, considering everything, that due care was taken. Inquiries were made by the Admiralty into each of the cases mentioned by the Comptroller and Auditor General, and we discovered that the tobacco from the "Conqueror" (which I think was one of the ships you referred to) was damaged, owing to water having accidentally got into the hold

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NAVY APPROPRIATION ACCOUNT.

Store Accounts of the Navy, &c.—*continued.*Chairman—*continued.*

and in the "Bramble" the biscuit was damaged owing to a leak in the suction pipe, and there were some few circumstances of that sort.

1586. Were the stores of a satisfactory quality when they were put on board?—Certainly.

1587. (To Sir C. L. Ryan.) Have you any observation to make upon this?—No; I think probably if the explanation had been given rather more fully, then the paragraph might have been modified.

On Paragraph 20.

STOCK-TAKING AT VICTUALLING YARDS.

Chairman.

1588. (To Mr. Yorke.) Have you anything to say with respect to the official position of the persons by whom the stock should be taken in the victualling yards; we have been told, with respect to the stock-takers in the home yards, that an application is being made by the Admiralty to the Treasury with regard to that matter; does that apply also to the victualling yards?—I think the question of the official position of the persons by whom the stock should be taken on behalf of the Admiralty has been raised before by the Comptroller and Auditor General, and has been considered by the Admiralty. I perhaps should explain to you that in the victualling yards stock is taken of every article once a year, and whenever the stock-taking takes place, which it does quarterly, I send down a person from my department in London to represent me. Sometimes I send down a higher division clerk, and sometimes a lower division clerk; but as a rule I send down a lower division clerk, because my staff will not admit of my sending a higher division clerk. He is met down there by the representative of the superintendent of the yard, and for my part I am perfectly satisfied with his representing me.

1589. Then in your case, as I understand, the stock-taking is not done by mere writers?—No; I should send down a writer if I liked to do so, but I do not, as a rule; I send generally a lower division clerk, as I have said.

1590. What position does the local representative of the victualling yard hold?—He may very likely be a writer; he is very probably a writer; he would be anybody whom the superintendent of the yard likes to detach for that work.

1591. And you, as I understand, send either a first or second division clerk?—Yes.

1592. Do you think that that system gives a good and efficient check upon the stock-taking?—Yes; my representative has to sign a statement that those stores are actually there; he has to satisfy himself upon that point. I, myself, am quite as satisfied with the statement of a lower division clerk as I should be with the statement of a higher division clerk.

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1593. Is

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NAVY APPROPRIATION ACCOUNT.

Store Accounts of the Navy, &c.—continued.

Mr. Arthur O'Connor.

1593. Is the same system of accounts adopted in the victualling yards as is adopted in the dockyards for stores?—I think not. I can tell you what my system is if you like.

1594. The reason I asked the question is, that in this Report the Comptroller and Auditor General tells us that the result of the test examination in this case is satisfactory; in that respect his Report as to the victualling yards differs from his Report with regard to the dockyards?—For the reason, I think, that the system differs.

1595. What is the difference in the accounts, and what is the difference in the system?—My system is to get a quarterly account from the victualling yard of the expenditure and receipts during the previous quarter, and, of course, that is checked with all the places to which they have issued or from which they have received articles.

1596. Is that the only material difference between the two accounts?—I should not like to speak about the Naval Store Accounts, for I do not understand the system.

1597. Can you say whether they have quarterly accounts or annual accounts?—I think they have annual accounts.

1598. Is there any difference in the system of stock-taking?—Our stocks are verified once a year, and I think theirs are not verified quite so often.

1599. (To Sir C. L. Ryan.) Can you say if there occurs to you any material respect in which the systems of stock-taking or of accounts at the victualling yards differs from that at the dockyards?—If I were to speak generally, the system of the victualling yards seems to me to be superior to that in the dockyards, both as regards the system of accounts and as regards the system of verification. The stock-taking is annual, instead of being every three years, and there is more direct supervision from the central office in the case of the victualling yards than there is in the case of the dockyards. Of course that may be due to some difference in the magnitude of the one as compared with that of the other; but, generally speaking, I think the system is better in the case of the victualling yards.

Mr. Jackson.

1600. (To Mr. Yorke.) When you say that the stock-taking is annual, do you mean by that, that the stock is taken of the whole of the stores at one time in each year?—No; I mean that the stock of every article is to be taken once a year. At each quarter I settle myself, without reference to anybody else, what article shall be taken on the day following.

1601. So that within the year a verification of all the articles shall take place?—Quite so.

1602. But not necessarily all at one time?—No.

Chairman.

1603. (To Sir C. L. Ryan.) Are you satisfied that the sending down of one of these clerks in

NAVY APPROPRIATION ACCOUNT.

Store Accounts of the Navy, &c.—continued.

Chairman—continued.

the department of victualling is a sufficiently independent check upon the stock-taking at the victualling yards?—I think the question of the status of the person who should take the stock, and verify the stock, is a matter which the Admiralty should settle. We do not at present know what they have settled, and I would rather not express an opinion until we have some definite information from the Admiralty upon the point. It is unsettled at present.

1604. (To Mr. Yorke.) Am I to gather from you that this point is now under the consideration of the Admiralty, in the same way as the mode of stock-taking at the dockyards is under the consideration of the Admiralty?—Unless I am mistaken, it formed part of the correspondence which is now going on with the Treasury, to which, I think, the Admiralty have not yet replied. They allude in that correspondence to the status of the persons taking stock; and I think that applies to the victualling yards as well as to the dockyards. I may perhaps say, as regards the status, that in all our departments considerable reductions have been made amongst the higher division clerks, and therefore the possibility of our employing them upon such work as that will no longer exist.

1605. Do I understand that you are afraid that you will not in future have so much check upon the stock-taking unless some change is made in the department?—No; I am perfectly satisfied with the check as it is now, but what I say is, that in future we shall have so few higher division clerks that it will not be possible to employ them in the stock-taking.

1606. Do I understand that you will not have the same check in the future?—We shall have the same check, because practically now I employ a lower division clerk generally.

Mr. Barran.

1607. In future you will have the same efficiency at a less payment?—Yes, the same efficiency, in my opinion.

Mr. Arthur O'Connor.

1608. As I understand, you never think of having the remains taken by a temporary officer?—No, I always send down somebody from my office.

1609. And you think, for practical purposes, that a lower division clerk can do that work as well as anybody else?—Yes, that is my opinion.

Mr. Sydney Buxton.

1610. Do you ever send down the same person to take the stock at the same yard?—No, I change them always.

Chairman.

1611. Probably we may take it, that after what has passed before this Committee the subject will be brought to the notice of the Admiralty?—Certainly.

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[Continued.]

NAVY APPROPRIATION ACCOUNT.

Store Accounts of the Navy, &c.—continued.

Major General HOWARD S. JONES, C.B., called in; and Examined.

On Paragraph 21.

STORE ACCOUNTS OF ROYAL MARINE DIVISIONS.

Sir *Walter Burttelot*.

1612. (To Sir C. L. Ryan.) I OBSERVE you say that the Quartermaster General is also responsible for the Equipment Accounts which are rendered by him to the War Office; and then you say "the result of the test examination which has been applied to the Store Accounts of the Royal Marine Division at Chatham, with the exception of the Equipment Accounts, has been, on the whole, satisfactory;" I should like to ask why there is an exception made to the Equipment Accounts, which appear from that not to be satisfactory?—The intention of the paragraph is not to imply that those accounts were not satisfactory, but that they had not been examined; the test had not been applied to them.

Mr. *Jackson*.

1613. The exception is as regards the test examination?—Yes.

Mr. *Arthur O'Connor*.

1614. Does the same remark apply to this set of accounts of the Royal Marine Divisions as applied to the Victualling Yard with regard to the system of accounts and stock-taking, as to the satisfactory nature of it?—Yes, I think so.

1615. In that they differ from the Navy Store Accounts?—That is so. In these paragraphs, 21 and 22, the small improvements which have been suggested have been carried out; and, on the whole, the Marine Accounts are, I think I may say, in a very satisfactory position.

On Paragraph 23.

INVENTORY BOOKS NOT KEPT AS REQUIRED BY REGULATION.

Chairman.

1616. It seems that the regulations have not been followed in respect of the necessary inventory books as regards furniture in use in the officers' quarters, barrack rooms, offices, &c.; will you kindly explain how this has happened?—An inventory book of the different furniture in the possession of officers and men was formerly in use; but in lapse of time it appears at the Chatham Division to have fallen out of use.

1617. Does that only apply to the Chatham Division?—Only to the Chatham Division.

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Chairman—continued.

1618. Therefore, no satisfactory means exists of verifying the correctness of the furniture on ledger charge?—No very satisfactory means.

1619. I see that it is admitted that the course followed has been highly irregular?—It is quite admitted to be irregular, and steps have been taken to counteract the irregularity.

1620. Steps have been taken to bring the inventory books into use?—Yes, and that is now done.

Mr. *Barran*.

1621. When you say that steps have been taken to bring these inventory books into use, is it the intention of the Department to take an inventory of what is now in existence?—We have already done so. An inventory has been taken, and the inventory books are in use.

1622. Are they posted up?—Posted up.

Chairman.

1623. (To Sir C. L. Ryan.) Does paragraph 23 of your Report relate only to Chatham?—We only tested the accounts in the case of Chatham in that instance. The Committee will understand the range is so great that it is impossible to do all the dockyards in any one year, and we only came upon Chatham in that year.

Mr. *Barran*.

1624. (To Major General Jones.) I suppose that this rule now will be applied to all the dockyards?—Yes, to all the divisions.

On Paragraph 24.

QUARTERMASTER'S STORE ACCOUNTS.

Chairman.

1625. (To Major General Jones.) It seems that worn clothing is reissued as casualty clothing to men whose own clothing has been damaged in the course of duty; the Marine Instructions are to provide for the return of this clothing into store; but they did not provide for any account being kept of the receipts and issues. We are informed that orders have now been given for the audit of receipts and issues of casualty clothing by the local auditor, and for the survey periodically of the worn clothing remaining in store; is that so?—That is so.

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1626. The

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[Continued.]

NAVY APPROPRIATION ACCOUNT.

Store Accounts of the Navy, &c.—*continued.**Chairman*—*continued.*

1626. The Marine Instructions will be amended accordingly, I presume?—They have not yet been amended, but the submission has been made that they should, and they will be.

1627. What is the cause of the delay?—Although approval has been received from the

NAVY APPROPRIATION ACCOUNT.

Store Accounts of the Navy, &c.—*continued.**Chairman*—*continued.*

Admiralty, these errata are not yet in print, but we are having, or are about to have, them printed now.

Mr. Wodehouse.

1628. Are they drafted?—Yes, they are drafted.

Major General PERCY. G. L. SMITH, R.E., called in; and Examined.

On Paragraph 25.

STORE ACCOUNTS OF THE WORKS DEPARTMENT.

Chairman.

1629. I BELIEVE you attend here as the Director of Works of the Navy?—Yes.

1630. It appears that in numerous instances at Haulbowline stores were issued unsupported by vouchers; have you any explanation to offer upon that subject?—I may explain that at Haulbowline there is a very small works establishment. The store establishment consisted of simply a storehouse man who is little more than a labourer; he is not a storekeeper; there is, in fact, no storekeeper at all. In making out these vouchers, instead of making the receipt voucher on a separate piece of paper, as you will see by these vouchers which I will hand in (*handing the same to the Chairman*), all the vouchers are marked by writing on the same paper to what work the material has been issued. There is not, in fact, any storekeeper, or any man of education to look after the store at Haulbowline; it is simply done by a man who is little above a labourer.

1631. Since the Report of the Comptroller and Auditor General that has been altered, I believe?—Yes; it had been ordered to be altered before. We sent an officer down there in June, who had ordered it to be altered, before the Comptroller and Auditor General's officers came in July.

Mr. Arthur O'Connor.

1632. What is the total value of the stores in charge, in this way as you have described?—Now it would only amount to a very few hundred pounds, perhaps three or four hundred pounds. The works have been finished since then; in fact they were finished a few days after this Report took place.

1633. What do you imagine was the value of the stores on the 14th January 1888?—I should think about 1,000 £.

On Paragraph 26.

ISSUES OF STORES IN BULK.

Chairman.

1634. I observe there was very considerable issues of stock in bulk at the Haubolwline Dock-

Chairman—*continued.*

yard, and the Comptroller and Auditor General suggests that whenever stores are issued in bulk the accounts of the storekeeper should be supplemented by statements of the accounts from the clerks of works, or persons responsible for the stores, showing the quantity received and expended, and the quantities remaining on hand; what have you to say to that suggestion?—Certain materials must be issued in bulk. For instance, if a thousand yards of rubble or broken stone comes on to the works, you could not possibly put it into store and issue it out. So what we do is to take it to the place where it is wanted to be used, and issue it to the work there, and then we consider that store is disposed of. It cannot, of course, be used for anything but the work there, because the works are surrounded by police and no one could take the rubble away. It is therefore issued to the works, and in the case of large works, when the works are finished it would generally be used up, but in the case of small works, if it is not used up it is taken back and used for other works. Practically, however, in the case of the works at Haulbowline, which have gone on for some 20 years, it was all finished up. In the case of small works, on the other hand, which take only a few months, when the works are finished we take the remains of the stores belonging to those works and credit them with their value, and transfer the stores to what we call "repairs and maintenance," which finishes them up, so that I think in any case the remain is well looked after. I think that it would be a very bad thing to make the officers on the work who are already responsible for the use of the materials open fresh Store Accounts, showing the quantities periodically. If they had constantly to keep filling up returns, I am afraid the work would suffer in consequence, because, if the officers found that their credit depended upon filling up the returns in regard to these stores, they would not be looking after the foundations of the buildings, and the more important work of that sort which they have to do; they would be in their offices instead of outside of them.

1635. One of the suggestions of the Comptroller

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NAVY APPROPRIATION ACCOUNT.

Store Accounts of the Navy, &c.—*continued.**Chairman*—continued.

troller and Auditor General is, that the remains should be periodically surveyed by officers wholly independent of the particular yard where the survey is to be held; do you think that is unnecessary?—I do not think it would be necessary in any case. Suppose, for example, that there are a number of bricks or some loads of rubble on the works, nobody could take such materials as that away; they must practically be used for the work there, and when the work is finished anything that is left is credited to that work and handed over to some other work, and paid for by the latter work. In that way it is all accounted for quite accurately. In most cases, moreover, there would be no opportunity for making a periodical survey, because generally the works do not last over a year. We make annual surveys of the materials on all large works.

Mr. Barran.

1636. What kind of work was it at Haulbowline in this case?—The work that was being finished at the time of this report was a basin and dock, but the work now consists only of small things, such as an engine house, jetty, &c.

1637. The work referred to here is altogether constructive work, and these stores are for the purpose of this constructive work, as I understand?—Yes.

Mr. Arthur O'Connor.

1638. Upon these vouchers which you have handed in there is shown in one case 1,397 cubic feet of green-heart timber from London?—Yes, that was for the coaling jetty.

1639. Did you send all the way from Haulbowline, which is near Queenstown, to London for green-heart timber?—Yes, we invited competitive tenders; we asked a number of Cork timber merchants as well as those elsewhere, and we took the lowest tender.

1640. Would you send to London for such a small quantity as that?—Yes; but that was very likely, only the first instalment.

1641. I see that these vouchers are signed by two persons. There is the signature of the storehouseman, George M'Call, but then there is another signature, B. J. Pain?—Yes; Mr. Pain was the clerk of works at the office in charge of the works round there, and he was told to look after the storehouseman, who, as I have said, is little more than a labourer.

1642. Then Mr. Pain, as I understand, was really in charge of the stores, was he?—No, he was not the storehouseman; he was in charge of several works. He authorised the issue of stores, and he was the man who signed for their receipt for works for which he was responsible; but we cannot help that, when we have only so small a staff as we have there.

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1643. You gave us just now, as the reason for that system which prevails there, that the storehouseman was little better than a labourer; but I observe that these receipts are signed by someone else whom you now describe as a gentleman?—He is signing there for the materials as dispersed amongst the works. Mr. Pain signs there as showing that that material was properly charged to the work as noted down there.

1644. Excuse me, this receipt of 15th January 1888 is signed by Mr. Pain alone, is it not (*handing the same to Witness*)?—That is not signed by the storehouseman. Mr. Pain signs that in the same capacity as he signs the other receipts, simply as the officer who was responsible for the work.

1645. In that case there is no storehouseman's receipt at all, as I understand?—No.

1646. How do you account for that?—I can only account for it by saying that the storehouseman is a labourer who does not always sign all that he ought to sign. All these men had gone before this report was made.

1647. I observe here another receipt of goods from Robert Pulvertaft, and then below there are goods from a man called Denis Murphy; is that the way in which these things are generally kept on a single receipt like this?—No; they would be better on two different papers. It is not, however, that we are without vouchers, but they put the two things down on the same paper. I may say that all that has been stopped since then.

Chairman.

1648. Now I understand you have put it on a more regular system?—Yes. We have ordered the forms to be adhered to more strictly; the system has been some time in force.

Sir Walter Barttelot.

1649. Why were not these works done by contract?—I cannot answer for the beginning of the works. They were begun 20 years ago by convicts; but when they revolted the Admiralty were unwilling to employ a contractor, because the first thing he would have done would have been to turn off all the men employed, and there has always been a desire to employ the people there, who were in great distress.

Mr. Arthur O'Connor.

1650. How many men are employed there now?—The main works have been finished for nearly two years, and there are none upon those works now.

Sir Walter Barttelot.

1651. As a matter of fact, it would have been a cheaper way, would it not, to have done the work by contract?—Much cheaper.

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1652. What

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NAVY APPROPRIATION ACCOUNT.

Store Accounts of the Navy, &c.—continued.

Chairman.

1652. What do you say to the remark of the Comptroller and Auditor General, that if the present practice is continued it should be provided for by distinct regulations approved by the Board of Admiralty?—I see no objection to the regulations; I do not think there is any desire to issue in bulk things that ought not to be issued in bulk. I do not think that the issuing in bulk can be limited to the things which are mentioned in the Report of the Comptroller and Auditor General, such as bricks, stone, cement, timber, coals, and so on. For instance, a number of castings may be wanted for a particular work, and that work may be kept waiting for them, and they must be issued the first day they come.

1653. Would not a case of that kind come under the category named in the report of such articles as, “from their great weight or other causes it is advisable to place on receipt into the yard as near as possible to the work for which they are intended”?—If it was considered that such articles as that, and a number of other things could be included, that might meet it.

1654. That is what the Comptroller and Auditor General suggests, is it not?—He refers

NAVY APPROPRIATION ACCOUNT.

Store Accounts of the Navy, &c.—continued.

Chairman—continued.

spécially to articles of “great weight.” It is not from the great weight of the article that it would have to be issued at once in such a case as I mention, but it is that we live from hand to mouth; we do not keep a large store of things from year to year, but we order the things for the particular work, and want to use them at once.

1655. The Comptroller and Auditor General also suggests that articles should be included which from other causes it is desirable to place on receipt into the yard as near as possible to the work, for which they are intended?—Yes.

1656. Would it not be possible to frame a regulation under which these issues in bulk, which are irregular under the present regulations, could be made, and that issues in bulk would be restricted to such articles as are here specified?—Yes, it is quite easy to do it; in fact it would have been done but that we waited to see what the Committee wish about it.

1657. (To Sir C. L. Ryan.) Have you any further suggestion to make upon this matter?—I think, if the Admiralty would carefully consider the question, and make the regulations, it would be satisfactory.

Mr. JAMES NICHOLAS DICK, C.B., called in; and Examined.

On Paragraph 28.

MEDICAL STORE ACCOUNT.

Chairman.

1658. I BELIEVE you attend here as Director General of the Medical Department?—Yes.

1659. Can you tell me how soon it is likely that the Foreign Hospital Regulations, and the Home Hospital Instructions respectively, will be issued?—The Foreign Hospital Regulations are completed by the Medical Department, and are now before the Admiralty; I sent them to the Board last month. They have to go the various departments for opinion before being issued.

1660. Have you now got the Home Hospital

Chairman—continued.

Instructions in hand?—I have got them on hand, and I should think that in all probability I shall send them to the Admiralty by about the end of the year.

1661. How soon do you expect to have the Foreign Hospital Regulations issued?—It is a matter now for their Lordships. I have quite done with them, and have handed them over to the Lords of the Admiralty. I should think that they would be issued very soon.

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ARMY APPROPRIATION ACCOUNTS, 1887-88.

Mr. RALPH HENRY KNOX, C.B., called in ; and Examined.

ACCOUNT, 1887-88.

Chairman.

1662. (To Mr. Knox.) I SEE that there is a very large surplus of 779,808 *l.* this year, but I think I am right in stating that that arises from the postponement of certain payments until the current year?—What we technically call a carry over, a very large quantity of stores which had been in order mainly on behalf of the Navy were not delivered by the contractors, notwithstanding urgent demands and pressure; and that is the occasion of the large surplus. Of the 779,808 *l.*, as it is stated, 575,000 *l.* was on the Store Vote, and of that 575,000 *l.*, 500,000 *l.* was for Naval Stores that had not come in from the contractors.

1663. Referring to pages 104 and 105, I want to ask you how it comes about, that the application to the Treasury to issue their authority to apply temporary surpluses in aid of the deficit was not made until the 13th of December 1888?—It has been the usual course, when the account is made up, in submitting the various surpluses and deficiencies, to obtain then from the Treasury sanction to apply the surpluses to meet the deficiencies. The deficiencies, of course, vary in amount, and very often they cannot be foreseen. Of course, if it were possible to foresee and to anticipate the result of the accounts before the accounts were rendered to us of the expenditure, it would be far more proper if we could apply to the Treasury before the end of the financial year; but as it happens, it is impossible, with the mass of our expenditure being incurred through what are called imprest accountants scattered all over the world, to know before the end of the financial year how the account, with regard to a very large number of items, will come out.

1664. But you recognise, I understand, that wherever you are aware that it will be necessary to apply to the Treasury to meet the deficit on one Vote by a transfer from the surplus on another, it is desirable, and indeed obligatory, to apply to the Treasury as soon as possible?—That is admitted; and certainly wherever what we should call a new expenditure in any way, that is to say, an expenditure not contemplated when the Estimates were framed, is decided upon by the Secretary of State as necessary, and it is looked upon as involving an excess on the Vote, then the Treasury is asked to approve that excess, and to meet it temporarily from savings which we have to declare. We sometimes also adopt the plan of saying that though at the time we cannot definitely point to savings, we know from the general current of expenditure that savings will probably arise. But if that is not in our mind we generally state that if savings do not arise we shall be prepared to

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Chairman—continued.

present a Supplementary Estimate to meet the deficit.

1665. (To Mr. Ryder.) Are you satisfied with the statement that has just been made on behalf of the War Office?—I think that the War Office has within the last 12 months been more particular than it was before, owing in part, I think, to the action of the Treasury. I am not sure that it might not be even more particular than it has been in the last year, and whether the practice may not be still improved. With regard to the lateness of the date of application to which you refer, namely, the 13th of December, perhaps I might say this; if the spending department has not foreseen the excess before the end of the financial year, and does not know the excess until after the financial year is concluded, the Treasury has generally allowed the department to wait until the Appropriation Account is made up, when the figures will be exactly known; and then the whole of the excesses and surpluses are formally brought before the Treasury for sanction, and that time will probably be about December. There would not be any particular advantage in the War Department or the Admiralty coming to the Treasury, say in June, with regard to an excess incurred in the year ending the 31st of March previously, because the expenditure, for which a merely *ex post facto* sanction could be given, would necessarily have been completed; and therefore there is no harm in their waiting till the whole of the Appropriation Account is known.

1666. When once the 31st of March is passed the Treasury would prefer to be consulted at the time when the whole Appropriation Accounts come before them?—I think so.

STORES SUPPLIED FREE OF COST IN 1886-87 TO EGYPTIAN TROOPS AT SUAKIM.

Chairman.

1667. (To Mr. Hamilton.) The question of the free issue of certain stores to the Egyptian troops at Suakim in 1886-87 was reserved by the Committee of Public Accounts last year with a view to the investigation of the question by the Treasury; the Treasury, I think, have since discovered that the amount in question, instead of being 50,000 *l.* or 60,000 *l.*, was only 14,454 *l.*; is not that so?—That is the case.

1668. The explanation is that part of it represented camp equipage, provided at a time when there was reason to suppose that the garrison at Suakim would not be limited to Egyptian troops?—It would be more correct to say that the provision was made before it was decided that the

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ARMY APPROPRIATION ACCOUNTS.

Account, 1887-88—continued.

Chairman—continued.

Native garrison was to be only charged on Imperial funds for one year.

1669. Taking that into account, and remembering the undertaking given by the British Government and the Egyptian Government that they would not re-open the accounts, the Treasury has given its covering sanction to the supply of the stores in question?—Yes; our great object was not to have to re-open the account. We thought if it was once re-opened by the Treasury it might be opened by the Egyptian Government.

1670. At the same time I see that the Treasury has expressed its regret that when the question of the cost of the Egyptian Army expenditure for 1886-87 was being discussed by the War Office and the Treasury, the Secretary of State omitted to draw attention to this probable item of cost?—We consider that it clearly was an omission on the part of the War Office, and I have no doubt the War Office would admit that it was so.

1671. The War Office, I understand, holds that the Treasury should have known there was some expenditure on stores?—Yes; we were trying to get out an accurate account of the position of affairs; and if those stores had amounted to a considerable amount, our calculations might have been thrown out to a large extent.

1672. (To Mr. Knox.) Do you desire to add anything as to the absence of information afforded to the Treasury upon this subject?—I think what was before the Treasury when the decision was come to, as to what should be paid to the Egyptian Government, was a certain claim that had been established by the Egyptian Government as against us. They had incurred a very large expenditure, which they said was practically expenditure we had undertaken to meet. These stores which may have been issued by us, with a mixed object at one or two places, did not enter into the account at all; the claim of the Egyptian Government was considered quite apart from them. It subsequently appeared that the issues had been made at Suakim, and that there was fair ground for saying that those stores were more or less stores which would be available for the use of the Egyptian troops that were raised to succeed the Indian Contingent at Suakim, and as that view was taken we did not wish to demur to it; but there is no doubt that the sending down of those stores to Suakim was really to serve a general purpose, rather than the special purpose of supplying the Egyptian Contingent there. But certainly when the claim of the Egyptian Government to be repaid certain expenditure was under consideration, the issue of those stores was not taken into account, and there are at present outstanding very large issues of stores, which are more or less in the hands of the Egyptian Government, for which no claim whatever has been made, and I do not know that a claim ever will be made.

ARMY APPROPRIATION ACCOUNTS.

Account, 1887-88—continued.

Chairman—continued.

1673. You estimate that they should have been considered as a set-off against the claim of the Egyptian Government?—I really do not know, and I believe that the large majority of people who have dealt with this matter from time to time have not known themselves. There is no question of which I have had official experience as to which more hazy notions have existed than as to this Egyptian expenditure, and the liability of our Government and of the Egyptian Government for it.

1674. At all events, you would, I presume, admit that the Treasury should have been informed of the issue of these stores?—I cannot say I think so. I think when attention was called to the fact that certain stores had been supplied to Suakim it was not an unreasonable thing to regard them as stores which would be used by the Egyptian force there, and for which a claim might have been preferred. I think when these stores were issued it was not contemplated to make any claim against the Egyptian Government for them.

1675. Was not that a question for the Treasury?—No, I think not. I think it was arising out of the general supply and maintenance of the force in Egypt, and the Egyptian forces and our forces were considerably mixed up, and it was impossible to say whether things that were sent out were being supplied for the use of our own troops, or for the use of the Egyptian troops.

1676. Surely that doctrine might be taken to apply to the whole of the questions that were settled between the Egyptian Government and our own Government, whereas, as a matter of fact, on the other points the Treasury had to be consulted?—The Treasury had to be consulted with regard to the claim which the Egyptian Government made against us to be reimbursed certain expenditure which they had incurred.

1677. Precisely; and therefore should not they have been made aware of all the other claims that might be made upon our behalf?—The Treasury decided, when they had the stores before them, that it was a fair claim to be made against the Egyptian Government; I do not think it was the view of our department that such a claim would be preferred.

1678. (To Mr. Hamilton.) Is not the question rather, whether the Treasury should not have had all the facts before them, in order that they might form their own opinion upon the point?—That was our view; we had certain figures furnished by the War Office, representing the uncovered expenditure on the Native Egyptian Army in 1887-8, which was estimated to amount to over half a million of money, and we had to decide how this account should be adjusted. The Egyptian Government at the time thought we treated them shabbily; and we could have represented that we had made a better arrangement for the Egyptian Government if we had been able to

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Account, 1887-88—continued.

Chairman—continued.

to say that there was a sum of 50,000 *l.*, in the shape of stores supplied to them.

1679. As it turns out that the amount was only 14,454 *l.* it does not so much matter, but you think you ought to have been informed?—It ought to have been an element in the calculation. It turned out, however, to be a small matter.

INDIAN HOME EFFECTIVE CHARGES.

Chairman.

1680. (To Mr. Knox.) Can you inform the Committee how it comes that there is so much delay in getting a settlement of all these questions, which have been referred to Lord Northbrook's Committee; the Committee seem only to have settled the sums due for effective charges in three years, and they contemplate apparently settling shortly the amount due by India for three other years; and there still remains the question for them to settle, of establishing a permanent basis on which payments in future years should be calculated?—I think, with regard to the years now outstanding, the difficulty has mainly arisen from the fact that the establishment of the Indian Army had been altered very considerably during that time, and the Committee was disinclined, until we got more fixed views as to what the establishment would be, to come to any general conclusion about it.

1681. For how long now has it been settled what the establishment is to be?—I suppose we may look upon it as about 12 months.

1682. Has there been any reason during the 12 months why the question should not have been settled by that Committee?—The Commission has been considering these questions, and I suppose, if there had not been the necessity for a holiday, they would have been settled by this time. But Lord Northbrook is in London now, and the Commission is going to sit next week to come to a decision upon these questions, and I hope before the month is out they may be settled.

1683. How often does this Committee sit?—I cannot say; it has sat from time to time for the last several years.

Sir Walter Barttelot.

1684. I think the last increase of the Army was about 10,000 men?—Yes.

1685. You have not arranged, as I understood, for any principle upon which the various items were to be divided?—So far as the War Office is concerned we have arranged a principle, and we have made a claim upon the same principle for several years past, but it is not a principle which the Indian Government have been prepared to accept. It is really the discussions which have arisen from the objections of the India Office that have caused the delay.

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ARMY APPROPRIATION ACCOUNTS.

Account, 1887-88—continued.

Sir Walter Barttelot—continued.

1686. It is especially with regard to the charge for training the men who are eventually sent out to India, is it not?—Yes, for keeping the Indian regiments going.

1687. Then surely you have got some general notion to go by, having regard to how long you have to keep these men before you send them out, taking the average of one year with another?—The War Office is very clear as to what ought to be charged, and have been for many years.

1688. It is a matter of absolute calculation, is it not; you ought to know exactly what the men have cost this country up to the time they go to India?—Yes.

Chairman.

1689. Can you give the Committee any assurance that this question, which has been unsettled so long, will really be settled within the next year?—It has been settled two or three times, but unsettled again immediately afterwards. My full belief, however, is that within this next month it will be settled.

1690. Both with respect to the three years from 1885 to 1888, and also with respect to future years?—Yes, I think so; I see no reason why it should not.

Sir Richard Temple.

1691. I suppose the difficulty has been that the India Office think you claim too much?—Yes; we cannot make any definite charge against them; it must be an estimated charge, and they object to the amount which we ask them to pay.

1692. Of whom does this Committee consist?—Lord Northbrook, Sir Thomas Seecombe, and myself.

Chairman.

1693. Perhaps we may hope that the Committee will be able to report before we report upon the Appropriation Accounts?—Certainly.

Sir Walter Barttelot.

1694. You have done everything in your power, I understand, to bring the matter to a settlement for many years past?—Yes.

Mr. Sydney Buxton.

1695. You say that there have been several settlements, but that they have always been broken immediately; what likelihood is there, if a new settlement is arrived at, that it will not be broken again shortly; is there any likelihood, do you think?—I really cannot say. It was supposed to have been settled, and an agreement come to, but the Indian Government were too strong for us, and managed, on a change of Government, to get the Government to say that it ought to be overhauled again.

1696. The new settlement is not necessarily likely to be more permanent than those three or four other settlements were?—I think it is. Lord Northbrook has charge of it, and as he is a statesman of great experience, with a knowledge

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Mr. Sydney Buxton—continued.

of both India and the War Office, any recommendation made by him is likely to have more weight perhaps than any recommendation which has been made before.

1697. Is Lord Northbrook's Committee supposed to be a permanent Committee?—No; it was appointed to lay down definitely, for some period at all events, what the payment by the Indian Government should be; but the settlement has been delayed very much by the fact that until quite recently the whole question of the Army, the organisation of the service, and the training dépôts has been very much under debate; and no final settlement could be come to as to what the charge should be, because the charge was very much dependent upon the system upon which the service was worked.

1698. Is there any reason for the Committee not sitting between December 1885 and July 1888, as appears to be the case from the letter on page 199?—I think it was mainly due to the fact that all these questions were under consideration.

1699. Can you tell us the reason why that Committee did not sit for two years and a half?—That is the only reason which I know of which at all interfered; namely, that the whole question of the service, the establishment and other questions, such as the question of how the dépôts were to be organised, were unsettled; in fact some of those questions are still unsettled, but we must come to some conclusion upon the subject.

INDIAN NON-EFFECTIVE CHARGES.

Chairman.

1700. (To Mr. Knox.) Has there been any settlement as to the actuarial calculation in connection with the non-effective charges for India?—I know that they are in a forward state. I think that there was some little delay at the India Office with regard to the last claim that was made, but I know that they are now in process of adjustment. There is comparatively little outstanding now, but I cannot exactly state how we stand.

1701. They were submitted for the consideration of the India Office in July 1888, were they not?—Yes.

1702. May we hope for a settlement of this question while this Committee is still sitting?—Lord Northbrook's Committee does not deal with this question; but I think that a settlement will be come to while this Committee is sitting.

Sir Richard Temple.

1703. Who does deal with this question?—These calculations are made upon a basis agreed to for many years past, between the Indian Government and our own Government. The Indian Government pays a share of each pension as it is granted, according to the service given by the particular man or officer in India.

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Sir Richard Temple—continued.

1704. Do I understand that the actuarial calculations have been sent to the India Office, and that you are awaiting their reply?—Yes.

1705. Can you give us any assurance of an arrangement being come to with regard to that matter before this Committee reports?—Yes, I think so, because we have pressed the India Office very much, and have explained the exceptional causes which led to the delay, and they have promised that they will do their best to hasten matters.

COMPARISON OF THE ADJUTANT GENERAL'S RETURNS WITH VOTE A AND PAGE 9 OF THE ARMY ESTIMATES.

Chairman.

1706. (To Mr. Knox.) It seems that, in addition to the number of men voted under Vote A, 35 subaltern officers of engineers were under instruction at Chatham; and it seems that, as provision had not been made for those officers under the Vote, they were added by the Adjutant General, in his returns for May 1887, to the estimated strength of the Indian Establishment on page 9 of the Estimates; how comes it under those circumstances that they draw their pay from Vote 1?—There was really a misunderstanding about it; it was a mistake, and it has been corrected. Though they belonged to the Indian Establishment they ought to have been included in Vote 1, because they are paid for by us, and repaid by India in these very Indian home charges which we have just been referring to. That mistake has been corrected in this year's Estimates.

1707. As I understand, it was really an irregularity not to take power under Vote A for those 35 additional officers?—Yes, they ought to have been voted.

ON VOTE 1.

PAY OF CHIEF PAYMASTER, EGYPT, IN EXCESS OF RATE LAID DOWN IN ROYAL WARRANT.

Chairman.

1708. (To Mr. Knox.) Will you explain how it comes that an excess rate of 2 s. 6 d. per diem beyond what the Royal Warrant allows has been paid, from the 1st November 1885, to the Chief Paymaster in Egypt?—The Chief Paymaster, as being in charge of the Pay Department in Egypt, was given the rank of colonel, and with the rank of colonel he was given the pay which is given to an officer who holds that rank, namely, 32 s. 6 d. a day. The general rule under the Warrant is, that an officer who holds an acting position should receive the pay of that position; and it was thought that this officer certainly should have the pay which was allotted to the rank which he held temporarily in Egypt.

1709. But it was overlooked, was it not, that the Royal Warrant limits his pay to 30 s. per day?

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Chairman—continued.

day?—It limits the pay of a chief paymaster with the rank of lieutenant colonel to 30 s.

1710. Is it not rather that it limits the pay of a chief paymaster who has served for less than five years to 30 s.?—Yes; but temporarily this man was given the rank which the officer gets after five years, and with that rank he was given the pay of that officer.

1711. Does not that seem rather like getting round the Royal Warrant?—I think not; when a general power is allowed of giving to a man who holds an acting appointment the pay of that appointment.

1712. Then you say, as I understand, that because he was given this additional rank it was lawful to pay him the additional 2 s. 6 d. per day, although the Warrant distinctly says that an officer acting for less than five years as chief paymaster is to receive 30 s. a day?—Quite so; just as supposing an officer were an assistant commissary general, and he was given the rank of deputy commissary general, though he was still assistant commissary general in the roll of the Department, he would get the higher pay.

1713. Would it not have been more regular, at least, to have applied to the Treasury before putting that interpretation upon the Royal Warrant?—No, I think not.

1714. (To Mr. *Ryder*.) What have the Treasury to say upon this question?—I think Mr. Knox is right in saying that the Royal Warrant provides that an officer of an acting departmental rank may receive the minimum rate of pay of that rank; but the question is whether the local rank of colonel, which was given to the Chief Paymaster in Egypt, can be described as acting departmental rank. I should have thought that the departmental rank of the officer was that of chief paymaster only. It seems to me, therefore, to be doubtful whether the War Department have power under the Warrant to give this increased rate of pay to the Chief Paymaster; and I should have thought it would have been better if they had consulted the Treasury upon the point.

1715. (To Mr. *Knox*.) Is it not the practice in cases of doubt to apply to the Treasury?—Not if the Warrant, according to the opinion of the Secretary of State, will bear that interpretation fairly.

1716. Who is the authority who has to interpret the Warrant in matters involving additional expenditure?—The Secretary of State.

1717. Without recourse to the advice of the Treasury?—Yes, if he holds that the Warrant can be so interpreted.

1718. (To Sir C. L. *Ryan*.) Have you anything to say upon that point?—I think that the opinion expressed in this paragraph is one which I should hold to, namely, that the Royal Warrant will not bear the construction put upon it, and therefore the payment was an irregular one. Holding that view, I should certainly

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support the Treasury contention that the Secretary of State ought to have got the covering sanction of the Treasury as to the departure (as I believe it to be) from the terms of the Royal Warrant.

1719. I think you do not agree with the doctrine that the Secretary of State is the sole interpreter of the meaning of a Royal Warrant, when a question involving additional expenditure arises?—Certainly not. If the Secretary of State may interpret any Warrant as he pleases, dispensing with the conditions which are laid down in the Warrants, he may add to the expenditure of the Army without the consent of the Treasury, and I should hold that that would be depriving the Treasury of their legitimate financial control. (Mr. *Knox*.) It is not, of course, held that the Secretary of State can put any interpretation he pleases upon the Warrant, but if the Warrant can bear the interpretation, it is open to the Secretary of State to say it shall bear that interpretation, and he is the court of final appeal in the matter. The Warrant states so distinctly, he is the sole interpreter; and I may say we have got the opinion of the Law Officers of the Crown that that is the case.

Sir *Walter Barttelot*.

1720. I presume the Chief Paymaster was given this extra rank for special services?—No; he was given it because he was the head of the Department in Egypt, and it was necessary to have a man of commensurate rank with the heads of the other departments in charge of the finances in Egypt.

1721. Then it was from the peculiar circumstances of the particular position in which he was placed that the War Office gave him the extra rank of colonel during the time he was serving there?—Quite so.

1722. And as a matter of fact, is it the case that when extra rank is given for a particular service or duty of that kind you do give the pay of that rank?—Quite so. That was what was held by the Secretary of State, and he granted this extra pay.

1723. Otherwise there would be no encouragement or no advantage to officers getting extra rank, and doing the work you have appointed them to do in such a case as that?—It is distinctly provided for in the Warrant that an officer can be given a higher rank, and that while he holds such rank temporarily he shall receive the pay of that rank for the time being; and that was what was held to be done in this case.

Chairman.

1724. I presume the Royal Warrant to which you refer is No. 362, under the head of Pay and Promotion. The Royal Warrant says distinctly: "The ranks and rates of pay of the officers of the Army Pay Department shall be as follows:—chief paymaster, 1 l. 10 s. daily; after five years' service

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Chairman—continued.

service as such, 1 l. 12 s. 6 d. Then there are certain other officers mentioned?—Quite so; but may I ask you to turn to any other page of the Warrant which lays down the pay of certain ranks in any other department. For instance, I have here Ordnance Store Department. There the pay of the assistant commissary general of ordnance is 1 l. 5 s., and of the deputy commissary general of ordnance 2 l. If temporarily the assistant commissary general was given the position of deputy commissary general, though he would be still assistant commissary general, he will get the higher pay and the higher rank.

1725. Then I suppose in such a case we should have a similar report drawing the attention of the Committee to the fact that the Treasury had not been consulted?—But there is general power in the Warrant taken, that when an officer holds a temporary position of higher rank he is to get the pay of that higher rank. If you will turn to Article 407 you will see it says: "Officers with acting rank shall receive the minimum rate of pay of such rank, without any increase for length of service."

1726. I see according to Article 123 that, "Officers of our Army Pay Department shall be granted honorary rank, as follows: chief paymaster, as colonel after five years' service as chief paymaster"—Quite so. This man was given temporary higher rank before he had completed five years; and he received the pay of the rank which he held in the Department temporarily.

Mr. Barran.

1727. May I ask whether the condition is, that a man is not eligible for the office that this man held in Egypt there unless he has served five years, but that there are circumstances when the requirements of the service have to be supplied, and that when a man not having attained to that rank is appointed to the position, provision is made for the man so appointed receiving pay equal to a man who has been five years in the service occupying the position in question?—Quite so; that has been what we hold to be the case.

Mr. Sydney Buxton.

1728. As a matter of fact, is there anything to prevent the Department giving every officer in that way the higher pay attaching to five years' service?—A man has to be gazetted to this rank definitely when he has received the appointment; it could not be done to any great extent. It is only done to meet a special case.

1729. Is it done, as a matter of fact, often?—No, very seldom indeed. It was done to give this man who was in charge of finance work out in Egypt the position of colonel, to be on a par with those men with whom he might be dealing.

1730. It was not done, I understand, with a view to giving him higher pay, but to give him more authority?—Yes.

1731. And the pay went with the authority?—Quite so.

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Mr. Barran.

1732. Was he considered an exceptionally good man for the position?—He was; he was selected to take charge of the work in Egypt. It cannot be held that the Treasury should be consulted in other cases in other departments, because in those cases power is distinctly taken in the Warrant to give a man the pay of the rank; and therefore the contention on the other side, as I understand, would be that in this Department alone, and for this rank alone in this Department it would be necessary to go to the Treasury.

Chairman.

1733. (To Mr. Ryder.) Do the Treasury admit that?—My difficulty is whether it is right to consider the rank of colonel as the departmental rank. I understand Mr. Knox to argue that it was the departmental rank. I should have thought in this case it was relative Army rank and not departmental; and if that view is correct, I know nothing in the Warrant that enables the Secretary of State to pay the higher rate of pay to this officer.

1734. (To Mr. Knox.) You told us just now that the Law Officers of the Crown had given an opinion that the Secretary of State was the sole interpreter of the meaning of the Royal Warrant; when was that opinion given?—Comparatively recently; it is referred to in paragraph 37 of the Report the Committee are now considering. The question was raised, and the Secretary of State wished to ascertain the opinion of the Law Officers as to what their view was as between the two departments; and that was the view they gave.

1735. As it has been quoted as the authority for the Secretary of State for this proceeding, I think we had better see it, because it is obvious that such a doctrine might lead to a very large increase of expenditure without any control on the part of the Treasury; perhaps you will represent that the Committee would like to see it?—Yes.

ON VOTE 6.

YEOMANRY CAVALRY.

SUB-HEAD A.—REGIMENTAL PAY OF YEOMANRY.

Chairman.

1736. (To Mr. Knox.) I observe on this Vote 6 for the Yeomanry Cavalry there is rather a large deficiency of nearly 2,500 l. on a Vote of 76,000 l.; I think that is partly due, is it not, to a certain charge having been held over from last year?—Yes; 1,700 l. was struck out of the account for the previous year, and subsequently allowed by the Treasury, and had to come into this year's accounts; and that accounts for 1,700 l. of it.

1737. Before I ask a question about that point, it is reported to us that it was found that in many points

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points, the conditions laid down in the regulations under the Royal Warrant of 1885 for the issue of yeomanry pay had been departed from, and that with regard to the number of men and horses present at drills and permanent duty, less stringent rules were enforced for the issue of pay than the existing regulations justified. It seems that regulations have been issued to legalise these relaxations in an Army Order dated March 1888; a date subsequent to those on which the payments were made; is that so?—That is so.

1738. The Comptroller and Auditor General expresses a doubt whether the Secretary of State's modifications of the regulations issued under a Royal Warrant should not be set forth as formally as the regulations themselves, and not merely promulgated after the existing regulations have been infringed; what have you to say to that?—They were promulgated. I understand the force of the objection is, that they were promulgated after the event had taken place.

1739. After the regulations had been broken?—Yes; they were formulated in these regulations with just as much authority as the original regulations when they were issued.

1740. But as to the point that the existing regulations were broken first, and then, after they had been broken, new regulations with a retrospective effect were passed, is that a usual mode of proceeding?—I cannot say that it is; but I think that the regulations as they stood originally were open to misunderstanding; certainly they must have been, for we found great uniformity of practice amongst the yeomanry regiments; it was uniform laxity, no doubt, but it was very uniform. They read the regulations as permitting what they had been doing.

1741. The result is, that pay was given in a number of cases where there were a less number of men and horses present at drills and permanent duty than was required by the regulations?—Yes.

1742. Consequently public money was spent for less efficient yeomanry drills than had been contemplated by Parliament?—Than had been contemplated by the regulation, certainly.

1743. And Parliament could not have known of these regulations which were going to give retrospective sanction to diminish the number of drills?—No, they could not. I think it is admitted that the yeomanry did not comply with all the regulations as they ought to have complied with them; though they certified that they had been complied with, as in a yeomanry sense, I presume, they had been.

1744. Do you suggest that this irregular mode of issuing regulations is peculiar to the case of the yeomanry?—Yes, I think so; I cannot say that I remember so extensive a default of regulations as that which was drawn attention to in this case.

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Sir Walter Barttelot.

1745. Was this with regard to the number of troop drills?—No, not the actual number of troop drills, but the number of men who were present to make up the troop drills.

1746. Was not the excuse put forward that it would be a hard case if, because a certain number of men were not there, no payment should have been made to those who were there?—That was the way they argued; but of course the number was laid down in the regulations.

1747. On some particular day, we will say, where troop drill was ordered, instead of 40 being on parade, there were only 30; and they argued that it was a hard case to say that because there were 30 they should not receive payment?—That was practically what it amounted to.

Chairman.

1748. This happened, however, in a great many instances in different yeomanry regiments?—Yes.

Mr. Barran.

1749. Was not the same question raised last year?—It was, in a measure, I think. There were two cases brought up; there was the case of pay, and the case of contingency allowance; it is now the question of contingent allowance (the clothing allowance allowed to a man), which is now under consideration.

Chairman.

1750. Would you not admit that the time has come to be a little less lax with regard to the yeomanry?—New regulations are about being issued (if they are not already issued), as to which I may say that it was held in some cases that the regulations were too strict, and could not practically be satisfactorily complied with; and concessions have been made in those cases, and very strict rules have been laid down as regards other parts of the regulations, which will require the men to do more than they have done hitherto.

Sir Walter Barttelot.

1751. It was thought that it was absolutely necessary that no discouragement should be thrown upon these men coming to drill as often as they could be got?—Certainly.

Chairman.

1752. (To Mr. *Ryder*.) Have the Treasury anything to say with regard to this matter?—Revised regulations have been submitted to the Treasury, and they have been approved, with retrospective effect, for the year 1888.

1753. (To Mr. *Knox*.) Then, in the second place, the Comptroller and Auditor General speaks of the "modifications in detail," requiring, under the third paragraph of the Treasury Minute of November 1870, that concurrence of the Lords of the Treasury which is ensured for regulations issued under a Royal Warrant; it seems that the War Office disputes that claim

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for Treasury control?—Power is taken in the preamble of the Warrant to modify the regulations in the matter of detail except where rates are laid down.

1754. But what do you say as to these requirements under the third paragraph of the Treasury Minute of November 1870?—I have only to answer that the preamble of the Warrant gives the Secretary of State power to modify in detail except when it does touch rates.

1755. (To Mr. Ryder.) I understand that the Treasury do not accept that view?—All that the Treasury ask is, that any modifications which directly touch rates, or even indirectly tend to augment expenditure in a material degree, should be submitted to the Treasury for their previous concurrence.

1756. (To Mr. Knox.) Is not the War Office prepared to assent to the claim?—I think generally we do assent to it; but then the Comptroller and Auditor General's view, as I understand, is rather that no detail can be modified at all.

1757. (To Sir C. L. Ryan.) Is that your view?—The view we hold is, that if the modifications involve greater expenditure, then the Treasury shall be consulted.

1758. (To Mr. Knox.) Would not it be better to accept that view, and always consult the Treasury when additional expenditure is involved?—The whole work of the War Office is considering all day long, as regards the whole 500 or 600 of us, the alteration and application of regulations to various cases; and if we did what is proposed, we should do nothing but write letters to the Treasury.

1759. This is a question, as I understand, of modifying a Royal Warrant, is it not?—I think not.

1760. Surely this refers to modifying the regulations under Royal Warrant, and making a modification which involves additional expenditure?—I take it to mean a departure from the regulations, on the authority of the Secretary of State, in any way as regards the detail of those regulations.

1761. When such a departure involves additional charge?—Yes.

1762. Would not it be better in all such cases to consult the Treasury?—I think it would be quite impossible to do so. There are a certain class of regulations, no doubt; under which, perhaps, it could be done, but when you look at the mass of our store and equipment regulations you will see that if, in every case of a small change in an equipment which may cause an additional expenditure of 20 l. a year, we were to go to the Treasury to ask for their sanction, business could not get on.

1763. (To Mr. Ryder.) Do the Treasury admit that?—The Treasury, I think, has recognised the force of the objections of the War Department. We acknowledge that there are little petty regulations, perhaps, affecting the

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issue of stores to soldiers, say a hair comb of horn instead of one of bone, or some mere triviality of that kind, which need not be submitted to the Treasury. All, therefore, that we have asked is, that any modifications which tend in any material degree to increase the public expenditure should be submitted to us before they are made.

1764. (To Mr. Knox.) In that modified form do you see any objection to conceding the principle?—As I say, there are certain classes of regulation which there would be no difficulty in working in that way; but there are others, such as the Store Regulations, the Equipment Regulations, and the Clothing Regulations, all of which are covered by the Warrant, as to which it would be quite impracticable if every modification of those regulations involving some small expense had to be referred to the Treasury.

1765. (To Sir C. L. Ryan.) Have you anything further to say upon this point?—I think not. The intention clearly in this paragraph was not to push the Treasury control to what would become a practical absurdity or make it unworkable; but it was intended to apply to cases when a distinct modification is made, and conditions which are stringent are relaxed, and others much less stringent are substituted for them, as, for instance, in the particular subject under consideration, namely, the number of drills having been relaxed; on these cases there would be really no difficulty in the Treasury being consulted.

1766. (To Mr. Knox.) Taking this particular case, was not this a case in which such a departure from the regulations, involving a payment for drills and permanent duty on account of the yeomanry men and horses beyond what was legal under the existing regulations, should have been submitted to the Treasury?—The excess charge which was held to be beyond the regulation was submitted to the Treasury, and Treasury sanction was given last year to those additional sums which were charged in excess of the regulation.

1767. That we have already dealt with, but what was not submitted to the Treasury was the alteration of the regulations?—Which covered those cases.

1768. Quite so, but which also made a similar departure from the existing regulations legal for the future?—Quite so; and it has been always held, with regard to these matters, that in the case of the regulation as regards the yeomanry, and as regards the volunteers, from time to time such changes as these may be issued on the authority of the Secretary of State, without special reference to the Treasury.

1769. The result would be either to add permanently to the charge in future years upon the Yeomanry Vote, or to cause the money under that Vote to be spent under less stringent conditions?—Yes, that would be the effect.

1770. And

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1770. And yet the Treasury is not to be consulted when the regulation is thus changed?—Certainly that is the view that has been taken at the War Office. Take, for instance, the Volunteer Regulations; it is now laid down that it is necessary to have 80 men present in order to constitute a battalion drill of volunteers, and that number is now needed; the Treasury was not consulted about fixing the number of men at 80; the Secretary of State decided that 80 was the number to be laid down. Supposing he wished to make the number 78 to-morrow, he would issue a regulation, saying that 78 was all that was thought requisite for the purpose.

1771. Even though that might lead to a considerable increase in the Volunteer Vote next year?—If it caused any change at all, it clearly must result in an increased charge.

Mr. Barran.

1772. But having fixed the number of men, and the number not being complied with, then the question is whether the Secretary of State is entitled, without consultation with the Treasury, to use the money of Parliament for the purpose of paying the men under conditions which are not according to those laid down in the regulations?—We do not hold that we are so entitled. We hold that if the regulations are not complied with, then we consult the Treasury; but we may change the regulations without consulting with the Treasury.

Chairman.

1773. That is to say, you are to consult the Treasury because you make a change for one year; but if you make a change affecting the expenditure for many years to come, then you are not to consult the Treasury?—That is so, and we are guided by the regulation. We have no power to go beyond the regulation without consulting the Treasury; but we may alter these regulations in any point which does not involve a new rate being laid down. If we wish to give a halfpenny a day per head to the men, we should have to consult the Treasury; but if we make the establishment of volunteers 78 instead of 80, we should not have to consult the Treasury.

Sir John Lubbock.

1774. You put it on the ground, as I understand, of convenience, and almost necessity?—Yes.

1775. Might not a number of these cases be sent together every few months to the Treasury, who might express their approval or disapproval?—Those cases which involve points upon which we think the Treasury authority should be obtained do go in that way.

1776. That is not the question I was asking. I understood you to base your objection on the 0.60.

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Sir John Lubbock—continued.

ground that it would be almost impossible to refer so frequently to the Treasury?—Yes.

1777. Then I ask why should there be any difficulty in sending a number of these cases, say once in three months, to the Treasury for their consideration?—The Treasury control has not hitherto extended to that; but it is quite possible every change in the regulation of every kind should go before the Treasury for its *imprimatur*, if I may call it. I could hardly call it the approval, because they would not understand a great number of the cases for the covering sanction of the Treasury.

1778. Now you are taking a different ground, if I understand you, because you now appear to admit that there is no inconvenience in sending them for consideration to the Treasury; but you suggest that they are matters rather for the War Office than for the Treasury to decide; that is a different ground, is it not, from that which you took just now?—We are constantly making changes in the regulations, as the Army Orders which are issued every month show. In every volume of the large number of regulations which exist it can hardly be said that any one of them may not in some way, directly or indirectly, affect expenditure; certainly as regards the Clothing Regulations, Store Regulations, Equipment Regulations and Supplies, and the mode of issue, and everything of that kind, one cannot say that any one of them may not affect expenditure in any way, and all the Army Orders which are issued might go, no doubt, to the Treasury for their consideration and sanction.

1779. Now, as I understand, you maintain that it would not be desirable to do so?—It never has been done; and I think certainly it would be undesirable that it should be done.

Mr. Barran.

1780. It would be considered *infra dig.*, I suppose?—No, I do not think so.

Sir Walter Barttelot.

1781. There is one question that I wish to ask you with regard to the battalion drills; I take it that no commanding officer would allow his men to go without battalion drills; in order to make the regiment efficient every one of these men must attend, or ought to attend, a certain number of battalion drills?—Yes.

1782. And you have made this regulation because, although he might get a certain number of men for one particular drill, yet he might not be able to get the exact number of men which in olden days it was required to make the battalion drill?—It is not proposed to make any alteration in that way. What I said was held was this: that whereas the regulation as now laid down requires that 80 men should be present to constitute battalion drill, it would be held by the War Office that they have power to alter the number

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Mr. DICK, C.B., and Mr. KNOX, C.B.

ARMY APPROPRIATION ACCOUNTS.

Account, 1887-88—continued.

Sir *Walter Barttelot*—continued.

number of 80 in the regulation to 78 without going to the Treasury.

1783. You do not quite understand my question; the question I wish to put to you is this: the number of 80 was laid down because that was the most convenient number for the volunteer divisions, was it not?—No, I think not. It was laid down by the Committee of which the late Sir James Lindsay was a member; that was about the smallest number which could be drawn up as a battalion to go through the movements of a battalion.

1784. Quite so; it was altered to make the attendance of less men than what was the original number, which, I think, was 100; and it was held that it should count as a battalion drill providing 80 men were upon the ground?—Quite so.

1785. Then I ask would it not be the case that, if 80 men are allowed to make a battalion, a commanding officer, seeing that he has only to get 80 men, would naturally have more battalion drills for his regiment than if he got the larger number each time?—That I cannot say. The requirement is that the drill shall not count as battalion drill unless 80 men are present. I do not know that it would follow that if 80 men were present usually you would have a larger number of drills with the number fixed at 80 than you would otherwise.

SUB-HEAD B.—EXTRA PAY AND ALLOWANCES.

CONTINGENT ALLOWANCE.

Chairman.

1786. (To Mr. *Ryder*.) With respect to this sum of 1,711 *l.* by which the charge for the year has been increased, and which has been authorised by the Lords of the Treasury, these payments were really governed, were they not, by the regulations, and the Treasury have no means of knowing that the recision of the disallowance for clothing and contingencies with the consent of the Treasury would cause an excess on the Vote?—We were not warned of it, and we notice that fact in our letter of December last to the War Office.

1787. (To Sir C. L. *Ryan*.) The observations which were made in paragraph 17 you apply also to the several charges under this sub-head, I think?—Yes.

1788. (To Mr. *Ryder*.) The Treasury gave their consent to the allowance of 3,000 *l.* in the case of men absent from permanent duty with leave on account of sickness, but the sanction of the Treasury was not obtained, I think, for several other payments under this sub-head?—The payment of 1 *l.* per man for the 202 recruits is, I believe, included in the 3,000 *l.*; no special

ARMY APPROPRIATION ACCOUNTS.

Account, 1887-88—continued.

Chairman—continued.

attention was called to it in the letter from the War Office about the 3,000 *l.* (Mr. *Knox*.) It was one of the charges that had been objected to, for this clothing and contingent allowance, and the Treasury sanctioned the whole of them. The effect of it, to which the Comptroller and Auditor General calls attention, was not directly pointed out to the Treasury.

1789. Were the War Office clearly aware themselves that the result of this was to give an allowance of 3 *l.* per man instead of 2 *l.*?—Certainly. The Comptroller and Auditor General puts it in this way, as 3 *l.* for the first year of efficient service; but the man served a year and a half.

1790. (To Mr. *Ryder*.) I understand, however, that the sanction of the Treasury was given to this?—It was given implicitly, but we were not aware of this particular payment being included.

1791. (To Mr. *Knox*.) I understand it was given on imperfect information?—The Treasury sanction the new regulations, which has the effect of giving this in the same way in future; that is to say, if a man is enrolled in the latter part of the year he is to get his contingent allowance for half the year though he may not attend the training during that year, and he would receive the full contingent allowance of 2 *l.* for the next year when he does attend the training.

1792. That is a permanent relaxation of the regulations, and the regulations were already rather lax in the case of the yeomanry; is not that so?—No, I think not; I think it was putting into clearer language what was always intended to be given. This contingent allowance has always been issued half-yearly, 1 *l.* the first half year, and 1 *l.* the second half-year.

Vote 12, Sub-Head D., Wages, postponed.

MANAGER AND ASSISTANT MANAGERS.

Chairman.

1793. (To Mr. *Ryder*.) This is a case in which the situations of a manager and assistant managers were created by the superintendent of a factory, and the salaries seem to have been approved by the Treasury; is that so?—We approved some years ago the annual salaries for managers and assistant managers, but then the managers and assistant managers were permanent officers entitled to pension, I believe. This particular manager and the assistant managers are wage-paid men with no permanent status; we have never approved the rate of their wages; we wrote in October last to the War Office about that, asking them whether the Secretary of State would not agree to these managers being treated as an intermediate class between the wage-paid men and the salaried men, for whom a scale and definite

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Mr. GILBERT, Mr. YORKE, Major Gen. JONES, C.B., Major Gen. SMITH, R.E.,
Mr. DICK, C.B., and Mr. KNOX, C.B.

ARMY APPROPRIATION ACCOUNTS.

Account, 1887-88—continued.

Chairman—continued.

definite number should be fixed in consultation with the Treasury. We have not received any answer to that letter.

1794. (To Mr. Knox.) In this case, in lieu of an assistant manager at a salary of from 300 l. to 400 l. a year, two assistant managers seem to have been appointed, on the authority of the Superintendent of the Royal Carriage Factory, at weekly salaries of 6 l. 10 s. each, which makes 338 l. a year; do you hold that such an appointment could be properly made?—Yes. For some time past now these men have been upon what is called the wages list, which is entirely in the hands of the superintendents of factories. They engage the men according to the marked rate of the day, and the men have no further claim than their wages from week to week, and the superintendents have for some time past had full powers to appoint these men as they may be required. The Secretary of State, however, I believe, thinks that there should be some limits as to the rates of pay which should be laid down for these men, which he should understand, although it might be modified on the recommendation of the superintendent from time to time. He wishes to be made aware and have a full understanding as to the limits which are in operation for the time being, and those limits should not be departed from without his being referred to; but he thinks that, further than that, no change should take place.

1795. (To Mr. Ryder.) Has any answer been received to the letter which the Treasury wrote?—No; we are still awaiting a reply. It seems to us anomalous that there should be no limit to the number of such highly-paid servants, and that the superintendent should have complete authority to appoint any number that he thinks proper.

1796. (To Mr. Knox.) The Secretary of State agrees in that view, I understand, and probably the War Office will propose some limitation?—I do not know that he agrees in the view that the Treasury should have anything to do with the settling of the limit; but he agrees that there should be a limit, of which he should be made aware, and that that limit should not be exceeded without reference to him.

1797. Will an answer be sent to the Treasury upon that subject shortly?—As you are no doubt aware, these departments have been under re-organisation during the last 12 months, and the Secretary of State did not wish, until he had had the experience of some little time, to introduce any new rules; but he is prepared, certainly, to lay down such a rule as that, I believe, immediately.

1798. (To Sir C. L. Ryan.) Have you any further comment to make upon this point?—No, I think not. At present we are without real information, as we have no answer to our letter; we have brought the whole matter before the Treasury and we have had no answer from them.

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ARMY APPROPRIATION ACCOUNTS.

Account, 1887-88—continued.

SUB-HEAD W., MISCELLANEOUS STORES.

Chairman.

1799. (To Mr. Knox.) Have you any explanation to make as to the way in which the salary of the Superintendent of the Balloon Factory is charged to Vote 1?—The officer in charge of the ballooning is an officer of the School of Military Engineering at Chatham, and amongst his duties is the superintendence of the Balloon Factory, and he is provided for as an officer of the establishment of the School of Military Engineering.

1800. How came it that these charges for wages at Brennan Torpedo and Balloon Factories classed under the head of Miscellaneous Stores?—It was really an omission in the Estimates that it was not mentioned that the wages of the men employed in these small factories were not included in the provision. A note is given in this year's Estimates explaining that under the sum which is provided for balloons it is intended to meet the wages of the men and the cost of materials used up by them.

1801. Do not you think it would be better to make the charges for wages on some other Vote?—I think not, in the case of the wages of these factory people and men employed in this way. Speaking for myself, personally, my own choice would be to charge it under some other Vote; but I think these are exceptional cases.

1802. (To Mr. Ryder.) What view does the Treasury take on that subject?—The Treasury quite agrees with the Audit Office that the charge for wages should be shown distinctly in the Estimates. As regards the question as to what Vote they should be charged to, I do not know that there would be any very great objection to charging the wages paid at the Brennan Torpedo Factory to Vote 12; speaking for myself simply, I do not see any strong objection to that. The great point is to make it quite clear upon the face of the Estimate, what is the nature of the charge.

RESERVE ORDNANCE STORES AT BOMBAY
PURCHASED FROM INDIAN GOVERNMENT.

Chairman.

1803. (To Mr. Knox.) Sums amounting to 20,185 l. have been charged to several supply heads of this Vote, representing the repurchase from the Indian Government of a reserve of Ordnance Stores at Bombay, which were originally purchased by that Government from the War Office; can you explain this point?—It is certainly somewhat complicated; this payment really was made to put an end to an arrangement which was found to work unsatisfactorily. Formerly it was necessary to have at this station certain stores, and the Indian Government undertook to be our storekeeper; but inasmuch as they were not prepared at that time to render any account to us, it was arranged that whatever stores were sent out to India, though they were intended for the use of our Fleet, should be paid for by the Indian Government, and when they were issued

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to

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Mr. GILBERT, Mr. YORKE, Major Gen. JONES, C.B., Major Gen. SMITH, R.E.,
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ARMY APPROPRIATION ACCOUNTS.

Account, 1887-88—continued.

Chairman—continued.

to our Fleet, we should pay them back. You can quite understand such a system as that not working very well. They have really paid for a considerable quantity of stores which were only intended for our use, to be supplied for the use of the Fleet as they demanded them. This system was found not to work satisfactorily, and we decided to put an end to it, and buy back all stores at once which they had bought from us, and it was arranged that they should render an account to us of those stores. They were practically our storekeeper as regards those stores. They charged us the prices which they paid, and a certain percentage for the freight of the stores out there as they had paid for the carriage of them out, and also a percentage representing the cost of taking charge of the stores. A claim was sent in including these charges, and we paid it, and we are to have accounts in future of the stores which they hold for us. That sum was what they put down as the value of the stores returned, as it were, to us and held available for the use of the Fleet, with these percentages added, and we accepted the claim on examination, thinking that it was not unreasonable, and paid it.

STORES SUPPLIED TO BRITISH EXPEDITION TO SUAKIM.

Chairman.

1804. (To Mr. *Ryder*.) I see that in the correspondence the Treasury assented to the charge of 401 l. 15 s. 8 d. for stores supplied by the Indian Government in 1884 without proper vouchers; is it usual for the Treasury to decide on these cases; is it not rather a question for the Comptroller and Auditor General what are proper vouchers?—Under the Exchequer and Audit Departments Act the Comptroller and Auditor General is given the duty of determining whether the payment is properly vouched or not; and he, further, is bound to report to Parliament every case in which the payment is not properly vouched, and any action taken by the Treasury in the matter in no way affects the power and duty of the Comptroller and Auditor General. But such cases are continually brought before the Treasury; every year several cases, I should say, come before the Treasury. I cannot say that the Exchequer and Audit Departments Act gives in so many words any power to the Treasury to dispense with the vouchers. The Treasury can authorise expenditure, and the Treasury can determine the mode of entering an objectionable item in the account; but I think the Treasury does not really use any statutory power when it expresses itself satisfied with the allowance of a charge notwithstanding the absence of vouchers. I think in such cases it uses its constitutional authority as the chief financial department of the kingdom.

1805. (To Sir C. L. *Ryan*.) Do these statements satisfy you as regards the point you raise?

ARMY APPROPRIATION ACCOUNTS.

Account, 1887-88—continued.

Chairman—continued.

—Yes, certainly. The Treasury, as I understand it, recognise that the real responsibility of reporting the matter to Parliament rests with the Comptroller and Auditor General in this case.

1806. In this case have you anything to say as to the absence of vouchers?—No, I am quite satisfied with the reasons given to the Treasury.

APPROPRIATIONS IN AID.

Chairman.

1807. (To Mr. *Knox*.) This is a peculiar case in which plant for the Suakim-Berber Railway, purchased under one Vote and then sold, has been treated as appropriation in aid of another Vote; is that so?—I do not know that that is an exact description. These stores were purchased as part of the plant of the Suakim-Berber Railway. That was naturally carried out under the superintendence of the engineers; and there was a contract for the supply of these things. They were not bought as stores in the first instance, but they were bought as railway plant, and they were charged against the loan, although being under the engineers they were carried to the head of Vote 13, which is the Works Vote. But when those stores were brought home they ceased to be what we should regard as specially engineers' stores, but went into the general stores of the Army, and were in the hands, practically, of the Store Department. They were merged with stores of the same kind, and were sold as stores; and as the proceeds of all the stores when sold are carried to Vote 12, these were carried to Vote 12.

1808. Is not the explanation rather that if you were again purchasing (which we hope will not take place) the Suakim-Berber plant, the purchase would be charged to Vote 12?—The rolling stock and all that sort of thing would be stores, no doubt, and we should probably charge them to Vote 12, and the works part of it would go to Vote 13.

1809. Under those circumstances you have now appropriated the receipts in aid of Vote 12?—Yes; I may say, with regard to the engineer works in the field, all the stores which the engineers receive for their duties in the field are charged to Vote 12, ordinarily speaking; but of course this was of a very peculiar character; and it was known to include things which were not mere stores, but contractors' work, and so on; and, therefore they were all charged together, for convenience, to Vote 13.

1810. You would agree, would you not, that a department should not, as a rule, apply an appropriation in aid like this to any Vote, wherever it might happen to be most convenient?—Certainly not.

1811. (To Sir C. L. *Ryan*.) Does that explanation satisfy you upon the point you raise?—Yes.

[The Witnesses withdrew.]

Wednesday, 22nd May 1889.

MEMBERS PRESENT :

Mr. Barran.
Sir Walter Barttelot.
Mr. Sydney Buxton.
Mr. Jackson.
Sir Ughtred Kay-Shuttleworth.

Sir John Lubbock.
Mr. Salt.
Sir Richard Temple.
Mr. Wodehouse.

SIR UGHTRED KAY-SHUTTLEWORTH, BART., IN THE CHAIR.

ARMY APPROPRIATION ACCOUNT, 1887-88.

Mr. EDWARD W. HAMILTON, C.B., Sir CHARLES LISTER RYAN, K.C.B., and Mr. G. L. RYDER, re-called ; and further Examined.

Mr. RALPH HENRY KNOX, C.B., re-called ; and further Examined.

On VOTE 13.

HALF COST OF DEFENCES AT ADEN.

Chairman.

1812. THE Imperial Government has arranged with the Indian Government to bear half of the cost of the special defence works at Aden, but the 26,000 *l.* consequently charged to the Vote by the War Office is unsupported by vouchers or reports from Aden ; why should not the War Office request the Indian Government for a statement of the cost under a few specified heads and the date at which such cost is incurred ?—The claim from the Indian Government is understood really to be to that effect. It is stated that so much work has been completed ; and on account of it we are asked to pay our 26,000 *l.* We do receive through the Indian Government, also, most elaborate returns of the progress of the work, showing distinctly what progress has been made with regard to it ; in fact, I do not know that a more elaborate return could be rendered.

1813. I see, on page 206 of the Appropriation Account, the Assistant Accountant General of the War Office states that there are general reports as to the progress of the Aden Defence Scheme ; but as to any such returns in detail as you mention, nothing of the kind seems to have been mentioned to the Comptroller and Auditor General?—There is nothing in the shape of an account with the vouchers usual with an account in support of it, but there is the report of the engineer officers (one of which reports I have here, and can show you) showing in the greatest detail what work is done.

1814. Does that give a statement of the cost under the various heads ?—No.

0.60.

Chairman—continued.

1815. Does it give a statement up to what date the 26,000 *l.* was spent ?—The reports are periodical ; they are made quarterly.

1816. Does it show that your payment of 26,000 *l.* was for works up to a certain date ?—I hardly know as to that. This report which I have here is really not connected with this particular claim, but it shows how much up to the 31st of December 1887 had been expended, but it is not an account with any vouchers. I will hand in in this report as an example (*handing in the same to the Chairman*).

Sir Richard Temple.

1817. Why cannot vouchers be obtained ?—The Indian Government have the vouchers ; it is their account ; it is their expenditure, and we propose to pay them half of it upon their statement that they have incurred so much, supported by these reports of the engineer officers, that the work has been executed.

1818. Do you propose to make the payment without the vouchers ?—Certainly.

Chairman.

1819. That is not questioned by the Comptroller and Auditor General, as I understand ; but what he suggests is that you have only general reports, and that you have not a statement of the cost under heads ; and you have not a statement of the date up to which the expenditure was incurred, in respect of which you paid your 26,000 *l.* ?—In the final settlement of the account we should certainly have that ; but

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from

22 May 1889.]

Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., Mr. RYDER,
and Mr. KNOX, C.B.

[Continued.]

ARMY APPROPRIATION ACCOUNT.

Vote 13.—Half Cost of Defences at Aden—
*continued.**Chairman—continued.*

from time to time it may be convenient that we should make a payment of a certain sum, which is our share there or thereabouts, as a certain proportion of work has been executed by the Indian Government. Of course finally we shall have a report sent in in that form, of what the work had cost, and on that the final adjustment would be made.

1820. Does not it appear to you to be desirable, when you make a payment on account, to have a statement of the cost under heads, and a statement of the date to which the 26,000 *l.* expenditure was incurred?—I do not think so. I think if we know what work has been done, and know what the total cost is likely to be, an advance may be made from time to time, which is not in the exact proportion of half of the work that has been executed; it may be more, or it may be less.

1821. (To Sir C. L. Ryan.) Have you anything to say with regard to the statement Mr. Knox has just made?—I only wish to say that I am called upon to pass as a final charge to the Army Votes this sum of 26,000 *l.* without any knowledge that that is the proper contribution to be made in respect of the work done up to a particular time; and without disputing the fact that it is not convenient to give vouchers or actual proofs of payment, I do not think that the request which is suggested in the Report is an unreasonable one, or that there is any good reason why it should not be complied with.

Sir Richard Temple.

1822. Are not these reports which Mr. Knox mentions very elaborate?—The reports do not fix the expenditure due up to the date on which it is charged to the account. The 26,000 *l.*, when it is once charged to the account, is passed finally; and it will not come under review again. (Mr. Knox.) It is by no means anything like the full cost of the work; when the work is completed, detailed reports, showing what the total cost has been, will come to hand; and on that we shall make an adjustment.

1823. (To Sir C. L. Ryan.) If the expenditure is to go on over several years, and there is to be a yearly payment made to India, what other course could be adopted than that explained by Mr. Knox; you cannot have final vouchers and statements for *ad interim* payments?—The payment, so far as the Army Vote is concerned, is a final payment; it is not a payment on account; it is not an imprest account in that sense; it is a final charge to the Vote, once so charged. I have no further work to do in connection with it. The 26,000 *l.* may or may not be the proper sum which should fall due in that particular year; and some evidence could certainly be furnished that that is the proper sum, that is to say, that it is half the cost of that particular year.

ARMY APPROPRIATION ACCOUNT.

Vote 13.—Half Cost of Defences at Aden—
*continued.**Sir Richard Temple—continued.*

1824. Would not that information be furnished by the elaborate reports to which Mr. Knox has referred?—No answer has been made to me from the War Office based on that plan.

Sir Walter Barttelot.

1825. (To Mr. Knox.) Who is the engineer who makes these reports; is it an Indian engineer, or one of our own engineers?—All the engineers in India are Royal Engineers.

1826. Is he under the pay of the Indian Government?—He is under the pay of the Indian Government.

1827. In fact it is part of the cost of the Indian Establishment; what should prevent that engineer from giving a statement of the amount that has been expended upon the works up to a particular date, of which the half would be so much which would belong to the Government at home?—The engineer officer does make that report; but the Secretary of State does not hold that his advance to the Indian Government on that account shall be exactly half of what has been executed; it may be some pounds less or some pounds more; but he holds that, inasmuch as it is a part payment and the work is in progress it is of no consequence whether it should be the exact proportion of the work done at the time.

Chairman.

1828. The understanding being that it is to be half payment; how can you say that it does not matter whether it should be a little more?—I mean for an *interim* payment. It matters very much when the final adjustment comes of course.

1829. Does not it matter as to the *interim* payment?—Not at all.

1830. Do you not think that it would be more regular to pay half of what has actually been expended?—I do not think so.

Mr. Barran.

1831. Supposing 36,000 *l.* has been spent in this way, and we pay 26,000 *l.*, and the Indian Government pay 10,000 *l.*, does not that make any difference?—If 26,000 *l.* is well within half the total cost of the work, I do not think it makes any difference.

1832. Do you think it right that we should go on paying more than the proportion of our share while the work is in progress, if the Indian Government sees fit to make the demand?—It is a matter of arrangement between the two Governments.

1833. Is there no question of interest involved in the question whether we pay more than our proportion?—Very often it is in order to comply with the very strict financial arrangement under which we work. Supposing we take a Vote for 26,000 *l.*, as the contemplated instalment for the year, and the work has not progressed to the full

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Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., Mr. RYDER,
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[Continued.]

ARMY APPROPRIATION ACCOUNT.

Vote 13.—Half Cost of Defences at Aden—
continued.

Mr. Barran—continued.

full extent that was contemplated; having voted that money we should be willing to pay it, if we thought it was a safe thing to do so, having regard to the total amount. On the other hand, if the work had gone very much ahead, we should not have the power to pay more than 26,000 *l.* if that was the amount voted.

1834. You would pay it on the principle of having the money to pay it?—Because if we did not, we should have to surrender it.

Mr. Jackson.

1835. And have the money voted again?—Yes, and swell the next year's expenditure by that amount; on the other hand, supposing that the work in the hands of the Indian Government has progressed, as work can progress in excess of what was contemplated, we should not be in a position to pay our half.

Sir John Lubbock.

1836. Would you not in that case go for an additional estimate?—Such things are very much to be deprecated; we do not lightly go for additional estimates.

1837. You said just now that it did not matter if the payment was a few pounds more than your share of the work done; would you go so far, as the honourable Member suggested just now, and pay 10,000 *l.* more than was due from the English Government?—In answering the question put to me by the honourable Member, I was defending the principle, and as a matter of principle I think we might do it. It might be a question for the consideration of the Secretary of State whether he would go so far.

1838. On principle you would go so far as the honourable Member suggested, I understand?—Yes.

Mr. Wodehouse.

1839. Supposing that the Indian Government discontinue their share of the work before it is finished, we should be losers, should we not?—They are doing the whole of the work.

1840. (To Sir C. L. Ryan.) Would there be no opportunity for you to review the account when it is once closed?—The payments would all have been made so far as the Army Votes and accounts are concerned; I should not then have anything to say to the final review, if the amount is passed as a final charge. If it was an imprest account, that is to say, an advance account, then, when the accounts come to be complete, it would be my duty to look at the whole of them, and see whether the total amount due was equivalent to the amount that had been advanced or not, but that is not the case when final payments are charged against the Vote. Once charged I have no further concern with it. I do not quite understand what the difficulty is, because it is stated in the report itself that it has passed the final audit in the Indian Audit Office. If it has passed final audit in the Indian Audit Office a 0.60.

ARMY APPROPRIATION ACCOUNT.

Vote 13.—Half Cost of Defences at Aden—
continued.

Mr. Wodehouse—continued.

full statement must have been made for the purposes of their audit. If a certificate of that had been furnished to me, showing clearly that 26,000 *l.* was the proper amount that should fall upon the Vote for the year, I should have been satisfied. Of course if the War Office wish to pay otherwise than in accordance with the strict proportion of one half, I should not have been satisfied.

Mr. Barran.

1841. (To Mr. Knox.) What is the estimated amount of the cost of this work?—I do not know; I know that various estimates have been received from time to time of the cost of the work; it has been growing since it was first proposed.

1842. Can you give us any idea of what the last estimate was?—I think it amounts to something like 100,000 *l.*; that is the cost of the work, apart from the armaments.

1843. This is the first payment?—There was a small payment in the previous year.

1844. The only check we have got is the check which is exercised by the Indian Government, is it not?—As regards the actual expenditure incurred, we have a report from the engineer in detail, and we have the statement from the Indian Government that it has involved that expenditure.

1845. You cannot give us any information at present, I understand, as to what the actual expenditure or as to the prospect of the work being done within the sum stated?—We receive quarterly statements from the engineer officers of what has been expended.

1846. Can you give us the figures?—I have not the last report here.

1847. Have you the last but one?—This is a report up to December 1887.

1848. That is rather long ago; we cannot get any nearer than that to-day, I understand?—I have not any later report.

Sir Richard Temple.

1849. How came this particular amount of 26,000 *l.* to be fixed?—It was as nearly as possible the sum that we provided; it was within the amount of the work that had been executed as reported.

Chairman.

1850. Was the 26,000 *l.* about the amount provided in the Estimates of the year?—Yes, about that.

Sir Richard Temple.

1851. The Government of India has not this year expended as much as was expected; is that it?—It was not exactly half the money that was expended as a total.

Chairman.

1852. This 26,000 *l.* was to meet certain expenditure on the part of the Indian Government so as to make a certain total; can you give us

22 May 1889.] Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., Mr. RYDER, [Continued.
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ARMY APPROPRIATION ACCOUNT.

Vote 13.—Half Cost of Defences at Aden—
continued.

Chairman—continued.

us what that total was?—Up to the 31st of December 1887, what was spent was five lacs, or to give it exactly, 587,475 rupees.

Sir Richard Temple.

1853. That is 50,000 *l.* at the old rate of exchange?—It is not far from 50,000 *l.* That was the report that was received up to the 31st December 1887, and upon that we paid the 26,000 *l.*

1854. Five lacs would represent much more than 50,000 *l.* to the Government of India, would it not?—Yes; on that report we thought we were justified in paying the 26,000 *l.*

Chairman.

1855. There was no statement in detail, was there, as to the amount needed for Aden?—No; that was included in the sum taken for Coaling Stations.

Sir Richard Temple.

1856. Was there any express stipulation that the English Government was to pay half?—Of the total cost of the work, the English Government should pay half.

1857. Then, of course, this question will arise at once; when that arrangement was made was there any stipulation as to the currency in which the account was to be adjusted. The payment of course is made at Aden, and I suppose it would be adjusted in the Aden currency, would it not?—I should imagine so, certainly.

1858. In any case 26,000 *l.* would be in excess of the half of five lacs, would it not?—Yes, I think so.

Mr. Wodehouse.

1859. What length of time is this work likely to occupy?—It is supposed to be about three years.

1860. Do I understand that there is no estimate of the total cost?—There is an estimate of the total cost, but I have not got it here. The future charge, or the remaining charge for it, would be defrayed from the loan.

Chairman.

1861. Supposing the amount spent up to the 31st of December was 50,000 *l.*, and the English Government contributed to that 26,000 *l.*, it looks as if the charge upon the Indian Government would be about 10,000 *l.*?—On this report it would appear so, but the Indian Government had been going on with the expenditure for another quarter; this report from which I have quoted is only up to December 1887.

1862. (To Mr. *Ryder*.) Have the Treasury any observation to make upon the evidence which has just been given?—The question has not been brought before the Treasury officially; but when the Report of the Comptroller and Auditor General came before us, it seemed to us to be quite a reasonable suggestion on his part

ARMY APPROPRIATION ACCOUNT.

Vote 12.—Half Cost of Defences at Aden—
continued.

Chairman—continued.

that this information should be obtained. I think that the opinion of the Treasury would be that the War Office should make sure that the sum they pay does not exceed the true half; and so far as the Treasury can judge, there can be no insuperable difficulty in getting that information.

Sir Walter Barttelot.

1863. Would you be satisfied with the estimate of the engineer on the spot of what will be the actual expenditure?—I think we should require the actual account to have been audited by the Indian Government. I think it is the case that the payments are made upon audited accounts.

EXPENDITURE AUTHORISED BY TREASURY ON CONDITION OF BEING MET OUT OF SAVINGS ON VOTE.

Chairman.

1864. (To Mr. *Ryder*.) The Treasury seems to have authorised expenditure under Part I. of the Works Estimate, which seems to have amounted to more than 29,000 *l.*, on condition that the several charges could be met out of savings effected on the whole Vote; eventually, however, there were no savings on the whole amount but a deficit amounting to 16,729 *l.* 15 *s.* 10 *d.*; does the Treasury consider that this is a fair case for the relaxation of the condition which it imposed?—It did consider it a fair case. We did not think that the War Office could be blamed for this excess. It arose mainly from certain sales being postponed, especially the sale of Gallowgate Barracks at Glasgow, and the Treasury felt that they were to a great extent responsible for the postponement, because they did not wish a particular offer to be accepted before the matter had been referred to an arbitrator.

ON VOTE 15.

SUB-HEAD C.—REWARDS TO INVENTORS.

Chairman.

1865. (To Sir C. L. *Ryan*.) The Committee on Army Estimates seem last year to have supposed that your Report on the Vote for Rewards to Inventors would exhibit the distribution of the grant for the service for the foregoing year; is that so?—If that was the impression of the Committee, that would not be so. Under ordinary circumstances, if the sanction of the Treasury was produced for the amounts paid to inventors, we should not in any way call attention to a particular payment in our Report, provided that the explanation given by the War Office of any excess which it might cause upon the Vote was a *bonâ fide* explanation.

Mr. Jackson.

1866. But the accounts will show the distribution of the grant, will they not?—The accounts only

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Vote 15.—Sub-Head C.—Rewards to
Inventors—continued.

Mr. Jackson—continued.

only show the amount it in one sum; the explanation might or might not show fully the cause of the deficiency.

Chairman.

1867. Would it not be better, in your opinion, that the accounts should show in detail the distribution of the grant among various inventors?—I think, inasmuch as it is not possible to show it generally in the Estimates fully, because it cannot be said what rewards will be paid to inventors in the year, it might be better to append a statement to the Appropriation Accounts showing in detail the amount paid to the various inventors in the year.

1867*. It would be desirable, would it not, that, in the first place, in the Estimates any rewards which can be foreseen should be set forth, and that should be supplemented in the Appropriation Accounts, by showing all the other rewards given within the year?—I think so.

1868. (To Mr. Ryder.) Do the Treasury see any difficulty in that?—The Treasury sees no objection to a statement of actual payments. I could fancy that there might be some objection to giving an estimate of particular awards, because, although the amount which would have to be paid to a particular person might be generally foreseen, there might be an objection to saying that so much would be paid until it was absolutely settled; it might raise expectations which might not be realised; but so far as regards giving information of the actual expenditure, the Treasury quite agree with Sir Charles Ryan.

1869. (To Sir C. L. Ryan.) As regards the payment on which the Army Estimates Committee particularly comment, namely, the payment of the sum of 25,000 l. to Major Watkin, for the invention of the range-finder, that would not have necessarily come to the knowledge of Parliament at all, either through the Appropriation Accounts or through your Report?—It would be in the account if it caused an excess. It has practically come into the accounts because it causes an excess, and the explanation given for the excess is, that it was caused by this particular payment.

1870. But supposing it had caused no excess?—Then it does not follow that the particular payment would have come to the knowledge of Parliament.

Mr. Jackson.

1871. If it had not caused an excess it would have been within the Estimates, and therefore Parliament does not want any further information about it?—Yes; but I was not answering that question. (Mr. Knox.) The Comptroller and Auditor General would have been aware of the payment, and is aware of the payment. (Sir C. L. Ryan.) Certainly.

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ARMY APPROPRIATION ACCOUNT.

Vote 15.—Sub-Head C.—Rewards to
Inventors—continued.

Chairman.

1872. (To Mr. Knox.) Would he have been aware of the details?—Certainly; every payment goes before him.

Mr. Wodehouse.

1873. Even though there had been no excess?—Yes. I do not see any objection to the suggestion that has been made; I think it myself a very reasonable one, and I have always thought so.

On VOTE 17.

SUB-HEAD A.—REWARDS FOR DISTIN-
GUISHED OR MERITORIOUS SERVICE.

Chairman.

1874. (To Mr. Knox.) A reward of 50 l. has been paid to a riding master, although under the existing terms of the Royal Warrant voluntary retirement made this officer ineligible for the reward; the Comptroller and Auditor General informs us that the War Office intended to amend the Warrant; is that so?—Yes; those officers always have been eligible for these rewards; but an alteration was made in the old scheme of retirement, mainly as regards the higher officers of the Army, leading to an alteration which excluded retired officers from the advantages of this fund, but it was not intended to exclude these quartermasters, and that was an omission which it was intended to set right.

1875. Has it not actually been amended yet?—I think it has in one of the corrigenda. (Sir C. L. Ryan.) It has.

On VOTE 19.

SUB-HEAD B.—RETIRED PAY OF MILITIA
QUARTERMASTERS.

Chairman.

1876. (To Mr. Knox.) It seems that the claim of militia quartermasters to a higher rate of pay on retirement than 7 s. 6 d. per diem was for a time rejected by the War Office, but in 1887 the Secretary of State decided that, notwithstanding the Militia Warrant specifically refers to an article of the Pay Warrant of 1884, the quartermasters were entitled to 10 s. a day under an article of the Royal Warrant of the 3rd of November 1886; how does this matter stand?—It is somewhat complicated. In 1877, when there were considerable changes in connection with the militia, a certain number of non-commissioned officers were appointed to be quartermasters of militia, who had been militia non-commissioned officers, and the Warrant laid down that they were to get certain rates of pension, which were described as those to which a quartermaster of the Army was entitled. It was intended to deal with these men in a particular way, namely, that they should serve for

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Vote 19.—Sub-Head B.—Retired Pay of
Militia Quartermasters—*continued.**Chairman—continued.*

for five years and then retire; but power was taken to extend their service beyond five years, and some had their service so extended. Then they came on for retirement, and the Warrant to which you alluded of 1884, which includes the provision of the Warrant issued in 1882, and improved the terms of retirement to quartermasters of the line, extended that advantage to these militia quartermasters. The question really raised here is, whether a subsequent amendment of the Warrant should also apply to these quartermasters. They contended (and they were very strongly supported by a large number of Members of Parliament, as quartermasters generally are) that they ought to have the most favourable interpretation of the new Warrant. It only affected one individual at that time. The question of the interpretation of the words of the Warrant as they stood was referred to the Solicitor to the Treasury, and he said, regarding the thing as the legal interpretation of the clauses of the Warrant, the officer ought to have the advantage of the last-issued Warrant, and he was given it.

1877. But was the sanction of the Treasury asked?—No; because the Secretary of State, fortified by the opinion of the Solicitor to the Treasury that that was the legal interpretation of the words, thought himself entitled so to interpret them.

Mr. Jackson.

1878. That opinion of the Solicitor to the Treasury would be taken directly by the Secretary of State, and not through the Treasury, I understand?—Certainly.

Chairman.

1879. (To Mr. Ryder.) The Treasury maintains, I suppose, that it should have been consulted on this subject?—In a matter of doubt which involves increased expenditure the Treasury maintains that it should be consulted. (Mr. Knox.) But the Secretary of State had no doubt.

Mr. Jackson.

1880. (To Mr. Knox.) Had not the Secretary of State refused it before?—Previous Secretaries of State had not contemplated it.

SUB-HEAD C.—RETIRED PAY AWARDED TO
STAFF PAYMASTER BY COMBINING TWO
WARRANTS.*Chairman.*

1881. (To Mr. Knox.) It seems that retired pay was awarded to a certain staff paymaster under a Royal Warrant of 1878, but on conditions sanctioned by the Warrant of 1887, by reading the two Warrants together; the Treasury seem not to admit that the two Warrants should be read together. What does the War Office say

ARMY APPROPRIATION ACCOUNT.

Vote 19.—Sub-Head C.—Retired Pay awarded
to Staff Paymaster &c.—*continued.**Chairman—continued.*

to that?—We agree with the Treasury that their ruling that the two Warrants should not be read in that way together is right.

1882. Has that answer been given to the Treasury?—Yes, as regards both the cases referred to in the Report; but we are in farther correspondence with the Treasury, because subsequently it was pointed out to us by the claimants in both those cases that the pensions were given to them under one Warrant, and not under the two Warrants, except when it was specially stated that the later Warrant did apply to their case.

1883. What you say, as I understand, relates not only to the case which I have just mentioned, but also to that of the Chelsea pensioner mentioned lower down in this paragraph of the Report?—Yes, it does.

Mr. Wodehouse.

1884. It seems to be clear that one Warrant alone should govern the case; is that admitted?—Yes, certainly.

Mr. Barran.

1885. That being the most favourable Warrant for the person retiring?—No, I do not think that is always the case. As regards the soldier who is pensioned, he has a statutory right to the pension rules which were in operation when he enlisted, but he is also granted the advantage of any Warrant that may be issued during his service.

Mr. Jackson.

1886. If it improves his condition?—Yes.

Chairman.

1887. (To Mr. Ryder.) Is the Treasury satisfied with the decision of the War Office on the subject of the two Warrants?—The Treasury are quite satisfied as regards the reading of the two Warrants.

1888. And as respects the rest of the matter referred to here, I understand that that is still the subject of correspondence between the two Departments?—As regards the Chelsea pensioner, we have concurred in the view of the War Office that the one Warrant would protect him. As regards the staff paymaster, I think we have not yet replied.

ON VOTE 20.

SUB-HEAD A.—PENSIONS AND GRATUITIES
TO WIDOWS OF OFFICERS.*Chairman.*

1889. (To Mr. Knox.) Nearly six years of arrears of pension seems to have been paid in the case of the widow of an officer. Should not reference have been made to the Treasury before a payment of such arrears as that?—No, that is not the rule of the Department. The rule as to reference to the Treasury in respect to arrears really

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Vote 20.—Sub-Head A.—Pensions and Gratuities to Widows of Officers—*continued.*

Chairman—continued.

really applies to a case in which there has been a difference in view on the part of Secretaries of State. What has been ruled is, that should a present Secretary of State alter the decision of a previous Secretary of State involving a payment of arrears, then we should always refer to the Treasury; but when it is a question of issuing what a claimant was clearly entitled to under a Warrant, but for which from certain circumstances application had not been made, then it is within the discretion of the Secretary of State to issue the arrears. The rule of the Warrant is that these arrear payments should not extend beyond 12 months, but under special circumstances to the satisfaction of the Secretary of State there is no limit as to time.

1890. (To Mr. *Ryder.*) What has the Treasury to say upon that claim?—In the case in 1882, to which the Comptroller and Auditor General refers, the arrears amounted to over 34 years. That made it a very extraordinary case, and I think there would be no question that the Treasury ought to be consulted before a payment of such a large amount of arrears as that is made, but I do not feel quite certain that the Treasury would hold that six years' arrears were large enough to require a special reference to them. I have no right to commit the Treasury upon the point, but so far as my knowledge goes, I do not feel sure that the Treasury would think that six years' arrears required the special sanction of the Treasury to be obtained. I may, perhaps, add that the Admiralty inform me they have power to pay six years' arrears without coming to the Treasury for sanction.

1891. (To Mr. *Knox.*) Was this case like that which is mentioned in the Report of the Committee on Public Accounts of 1882 in another respect, namely, that it had been rejected by previous Secretaries of State?—No, it is unlike that; it has not been rejected by previous Secretaries of State. There has been hesitation about the extent to which arrears should be granted, but not as to the regularity of the claim.

1892. How could six years' arrears have become due in regard to a pension unless the pension had been refused at an earlier date?—The claimant had not preferred her claim; she was not aware that she was entitled to a pension.

1893. (To Sir C. L. *Ryan.*) Have you anything to say upon the explanation which has just been given?—I think that Mr. Knox must be mistaken, because the statement made to me distinctly upon this case was, that it was a case where the arrears were refused by one Secretary of State and allowed by another. (Mr. *Knox.*) The arrears may have been refused, but the case was not refused; it did not involve a question of the interpretation of the Warrant. That is my point.

1894. The case, as I understand it, mentioned in the Report of the Public Accounts Committee of 1882, was the case of a widow whose claim had been twice rejected by former Secretaries of

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ARMY APPROPRIATION ACCOUNT.

Vote 20.—Sub-Head A.—Pensions and Gratuities to Widows of Officers—*continued.*

Chairman—continued.

State?—That was as not coming within the Warrant. The clause in the preamble of the Royal Warrants is as follows: "We do further command that all claims to pay, or other pecuniary advantages granted by this Our Warrant, which shall not have been preferred within a period of twelve months, shall be deemed to be forfeited, unless under such exceptional circumstances as shall be approved by Our Secretary of State." Those are the terms of the Warrant. Sir Charles Ryan may be right in this, that when the claim was first preferred, we may have done as we generally do; we try to adhere to this rule of one year as much as we can, and the claimant may have sent in an appeal against that. That decision as regards the 12 months would have been given by the head of a subdivision in my office, he not having power to give it beyond the 12 months; then it is certainly possible that that may have been given while one Secretary was in office, and the appeal for the arrears may have come subsequently to another Secretary of State; but we should not regard that as a ruling of the Secretary of State as to the question of the regularity of the payment.

1895. You think that the intervention of the Secretary of State in the case mentioned in 1882 would have been rather a personal intervention?—It was a question of interpretation of the Warrant, as to whether the claimant had a right under the Warrant to the payment.

Mr. *Barran.*

1896. Has there ever been any doubt in this case as to that point?—Never.

1897. The delay was merely due to default on the part of the widow to apply for the pension?—Yes.

SUB-HEAD B.

COMPASSIONATE ALLOWANCES.

Chairman.

1898. (To Mr. *Knox.*) A double rate of compassionate allowances was continued to a lady who had passed the age of 21, having originally been granted under Article 1018, which sanctions a double rate of compassionate allowances under certain circumstances; it seems to have been continued under Article 1017, which admits, in certain cases, the continuance of compassionate allowances over the age of 21; this intended to be a general rule?—Yes; that is the Secretary of State's interpretation of those clauses of the Warrant. Of course it may be advisable, in a revise of the Warrant, to quote the other article referred in this paragraph, so as to make it beyond any question; but, as regards the principle of the thing, the Secretary of State is perfectly clear.

1899. Is it proposed to do that?—Yes, there is no objection to that being done.

1900. (To Mr. *Ryder.*) Is the Treasury satisfied that the War Office is justified in reading these

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Vote 2C.—Sub-Head B.—Compassionate Allowances—continued.

Chairman—continued.

these two articles together?—I rather think so. So far as my own private judgment goes, I think the War Office is right in contending that Article 1018 does not give any distinct independent power of granting these compassionate allowances; it only modifies in favour of the children certain powers given by Article 1017; and, therefore, any compassionate allowance given must be given under Article 1017, although a modified power under Article 1018 may be also employed.

1901. (To Sir C. L. Ryan.) Under those circumstances, have you anything further to say upon this point?—No; as I understand from Mr. Knox, the apparent inconsistency between the two will be remedied in future, and the case will be made quite clear.

TOTAL PROVISION FOR AN OFFICER'S WIDOW.

Chairman.

1902. (To Mr. Knox.) It is provided in the Royal Warrant that the aggregate amount of ordinary pension and compassionate allowances granted to the family of a deceased officer shall not exceed the annual amount of half-pay attached to his rank. As I understand, you interpret the Warrant in the particular case referred to here in such a way that the result is, that the general provision for an officer's family may be based on rank which did not affect his own pay or half-pay?—Quite so. The rule in former times was, that the pension of a widow should be governed by the regimental or substantive rank of the deceased officer, apart from the brevet or army rank of the officer, but it was conceded to widows under the last Warrants that they should have the pension attributable to the army rank of the officer. The Secretary of State ruled that the limits as regards the half-pay should be also the limits of the rank under which she was to receive the pension. So that, for instance, the widow of an officer who was a brevet lieutenant colonel would get a lieutenant colonel's pension, and the limit would be the half-pay of a lieutenant colonel, although he might have been only a substantive major.

1903. (To Mr. Ryder.) Is the Treasury satisfied with that reading of the Royal Warrant?—I should again say that I must not commit the Treasury officially, because the Treasury have not had the question before them officially, but so far as my private judgment goes, I think that the reading of the Warrant that has been adopted by the War Office is sustainable.

1904. (To Sir C. L. Ryan.) Have you anything further to say upon this point?—No, I have nothing further to say.

ARMY APPROPRIATION ACCOUNT.

VOTE 23.

SUB-HEAD A.—PENSIONS TO WARRANT OFFICERS, NON-COMMISSIONED OFFICERS, AND MEN. PENSIONS GRANTED FOR DISABILITY.

Chairman.

1905. (To Mr. Ryder.) Our attention is called to a case in which a permanent pension has been awarded to a man who was receiving 28 s. a week as a clerk in the Royal Arsenal at Woolwich. The correspondence shows that the War Office holds that such a permanent pension may be granted in order to supplement earnings which may occasionally be diminished by disability. Have the Treasury any opinion upon that point?—I imagine that the Treasury would consider that it was not defensible, to allow this pension to be continued to be paid to the man whilst he was earning 28 s. a week. I think that the Treasury would hold that the pension ought to be suspended during his employment.

1906. You would suggest that in such a case the pension should be paid during those weeks when the man is disabled from earning his 28 s. a week, and suspended when he is actually earning that money?—Exactly.

Mr. Barran.

1907. (To Mr. Knox.) Could you tell us what the wages are that this man earned?—Twenty-eight shillings a week.

1908. And what is the amount of his pension?—His pension is 6 s. 8 d. a week.

Mr. Wodehouse.

1909. (To Mr. Ryder.) Is the view which you have expressed governed by the fact that this man was receiving 28 s. a week, or would your opinion be modified if he was receiving a less sum?—If he could not earn enough to support himself upon, then I think either the whole or part of his pension should be allowed to him. We have an example of that sort in the Civil Service in the case of new appointments, where we allow the man to draw the whole or part of his pension if the earnings of his new appointment are not equal to the earnings of his old appointment. And in the same way in this case, if the man was only partly able to support himself, I think it might be right to suspend only part of his pension.

Chairman.

1910. Your decision, as I understand, would a little depend upon the number of weeks during which the man was able to earn 28 s. a week in the course of the year. Supposing, for instance, he could only earn that in one week during the year, the 6 s. 8 d. a week would not be sufficient to maintain him during the other 51 weeks in the year?—If that happened, I think it should be taken into account, no doubt.

1911. It would seem rather hard that the man should

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Vote 23.—Sub-Head A.—Pensions to Warrant Officers, &c.—*continued.*

Chairman—continued.

should be dependent only upon 6*s.* 8*d.* a week, if during many weeks of the year he were disabled from earning the 28*s.* a week?—Yes.

1912. (To Mr. Knox.) Can you tell the Committee for how many weeks in that year this man was actually able to earn his 28*s.* a week?—No, I do not know that. Mr. Ryder has mentioned the practice in the Civil Service, but I am afraid that the practice in the Army, and in the Navy also, is very different. Soldiers who receive permanent pensions, as many do after 14 or 15 years' service, are frequently employed and receive the whole of their pension at the same time that they may be receiving wages in some subordinate appointment in connection with either of the services. That is a constant practice in both the Army and the Navy. I am not defending it; I think it ought to be considerably modified. I think if a man is receiving the full pay of an appointment there is no necessity for letting him draw his pension at all; but that is not the view that is held generally. Throughout both services the usual rule is that the man draws his pension, and anything that he gets from any appointment besides.

1913. It would seem fairer to give this particular man a larger pension than 6*s.* 8*d.* a week; but to suspend the payment of that pension during the weeks when he was receiving 28*s.* a week?—Yes.

Mr. Jackson.

1914. Would they have the power to give him a larger pension than 6*s.* 8*d.*?—I do not know exactly, but such pensions are quite discretionary in the hands of the Chelsea Commissioners.

Sir Richard Temple.

1915. Do you know the age of this man?—I do not.

Chairman.

1916. The present arrangement might operate very hardly upon this man if he was only able to earn 28*s.* a week during one week in the year; but, on the other hand, supposing he was able to work for 51 weeks during the year, it would operate hardly upon the public, would it not?—Yes. What strikes me as hard is, that in the case of this man, who is a delicate man, who has evidently suffered in the service, who is receiving this very small pension, and drawing 28*s.* a week, objection should be taken, when the general rule is that men may be drawing very much larger pensions, and be in perfectly good health and receiving their full pay for some other appointment, without any objection being taken at all.

1917. Is it not the general principle that the Comptroller and Auditor General takes this opportunity of calling attention to?—No, I think not; it is a technical point that is taken here, 0.60.

ARMY APPROPRIATION ACCOUNT.

Vote 23.—Sub-Head A.—Pensions to Warrant Officers, &c.—*continued.*

Chairman—continued.

that this man has been receiving a temporary pension, on the ground that he cannot earn anything.

1918. (To Sir C. L. Ryan.) Perhaps I may put the same question to you as to the intention of this paragraph?—That really was the meaning of the paragraph. I entirely agree with what Mr. Knox has said as to the fact that a person should not be allowed to draw salary and pensions together, when the two combined are in excess of the means necessary for maintaining a man.

Mr. Jackson.

1919. You could not have abated his pension of 6*s.* 8*d.* a week if he had been receiving 30*s.* a week in private employment?—The State has no power in that case; it has no knowledge; it is only in the case of a person employed in the Government service that the question could arise.

DISABILITY PERMANENT PENSIONS INCREASED BY GOOD-CONDUCT PAY.

Chairman.

1920. (To Mr. Ryder.) The Treasury, I think, has ultimately given way as regards the objection raised to the payment to in-pensioners of Chelsea Hospital of an increased out-pension, and to considerable arrears amounting to 30*l.* 18*s.* 4*d.*?—It has given way in this particular case, though it maintains its plea.

1921. But the general principle is here raised whether the Secretary of State is the sole interpreter of the meaning of the Royal Warrant?—Yes; that is a very important question upon which the Treasury hold a strong view.

1922. (To Mr. Knox.) I think it is in the preamble attached to many Royal Warrants that that claim of the Secretary of State is founded?—Yes, it is contained in the preamble, and it has been the practice of the War Office for very many years indeed.

1923. Do you mean it has been the practice to insert that in the preamble?—Not in such definite words as it has been inserted since the year 1866.

1924. Can you tell the Committee how it came to be inserted in those very definite words; what was the reason of it?—I cannot give the history of it precisely, but I may say the previous Warrant, the Warrant of 1847, did not insert the word "sole," but stated that the Secretary of State was the interpreter of the Warrant, and that was in accordance with the practice which had existed for very many years. I looked out the other day what Lord Palmerston, who put it very succinctly, said before the Finance Committee of 1828. He said: "The control the Treasury exercises over the office of the Commander in Chief and the War Office is this: that no new regulations can be established involving additional expense, and no addition made to the official

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Vote 23.—Sub-Head A.—Disability Permanent Pensions, &c.—*continued.*

Chairman—continued.

official establishment without the special authority of the Treasury on written representation, which they consider and determine upon. When a regulation is established with their sanction, they are not consulted on its detailed application, it is left to the Secretary at War and the Commander in Chief, as the case may be, to decide on the instances as they arise, whether they fall within the limits of the rule, but if any case occurs which is not provided for by the rule then it must specially be submitted to the Treasury." Lord Palmerston stated that before a Committee of Inquiry upon Finance in 1828, and those were the rules which existed for a long time before, and the preamble of the Warrant of 1847 referred to them, and the Warrant of 1866 put it in somewhat more definite language than it had been put in before.

Mr. Jackson.

1925. What position did Lord Palmerston occupy at that time?—Secretary at War.

1926. Therefore in saying that he was speaking from a War Office point of view, and not from the Treasury point of view?—He was explaining the facts to the Committee.

Chairman.

1927. I suppose the War Office are aware that this is a claim far beyond that made by any other Department, such, for instance, as the Admiralty?—I am not aware of that fact; I have not gone into the question of the Admiralty powers.

1928. If that claim were pressed it would release the War Office from the control which is imposed upon every other Department, would it not?—It might be held, I think, that the other Departments are not governed in the same way.

1929. Is it not virtually claiming a prerogative for the War Office which is not claimed for the Admiralty?—It may be; I cannot speak as to that, but it certainly has been the practice, as I have explained, for many years past, and it was deliberately included in the amendment that was made in the preamble of the Warrant in 1866, and it has been continued down to the present date. The Secretary of State acknowledges that if the Warrant cannot bear the interpretation, then his ruling, of course, is *ultra vires*, but otherwise he has full discretion to interpret this Warrant in any way in which it can be interpreted.

1930. (To Mr. Ryder.) I see this passage in the Treasury letter of the 31st of March 1888: "My Lords hold that it would be *ultra vires* for a Royal Warrant to give to the Secretary of State such a power of interpretation as would prevent them from forming and expressing their own judgment on the meaning of the Warrant in any points that can affect Treasury action?"—Yes; that is the view of the Treasury. The Treasury does not dispute the fact that the Royal Warrant

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Vote 23.—Sub-Head A.—Disability Permanent Pensions, &c.—*continued.*

Chairman—continued.

does give this power of sole interpretation to the Secretary of State, but it holds that the Royal Warrant could not give a power of interpretation that was outside the limits of common sense, by which I mean that the interpretation must be consistent with itself, and must not overstep independent powers held and exercised by other important Departments, such as the Treasury and the Audit Office. The exercise of these powers implies a certain power of interpretation. The Treasury has to signify its concurrence in all the provisions of the Royal Warrant relating to expenditure; it cannot concur in these provisions unless it understands them, and it cannot understand them without some fixed interpretation being placed upon them; therefore the Secretary of State must not depart from that interpretation by the acceptance of which the Treasury concurred in the provisions. (Mr. Knox.) As regards this point, if the Committee wish to make any special recommendation, I think that certain of the authorities of the War Office, either Mr. Stanhope or the Financial Secretary, would wish to be heard upon it.

Mr. Wodehouse.

1931. (To Mr. Ryder.) Would the admission of the claim of the War Office practically weaken the financial control of the Treasury over the War Office?—I think if they carried it to such an extent that the Treasury had no voice in the interpretation of these provisions of the Royal Warrant which relate to expenditure, then the Treasury control would be seriously diminished. The Treasury hold that these powers were given, and wisely given, not as between the War Office and other Departments, but for the defence of the Secretary of State against the officers and soldiers who were dealt with under the Warrants, as without such powers the working of the whole Department might be embarrassed. I may say, as the Chairman pointed out, that the Admiralty have no such powers as regards the Queen's Regulations, but they have something like it as regards the Greenwich Hospital.

Mr. Jackson.

1932. (To Mr. Knox.) I do not understand you to claim that the Secretary of State has the power to interpret the Warrant in any way he likes; but what you say is, that he has the right to put his own interpretation upon the wording of the Warrant, and if his interpretation were wrong, as tested by the plain wording of the Warrant, then his action would be *ultra vires*?—Quite so.

Mr. Barran.

1933. Then the question comes as to who is to settle whether he is wrong or not?—Yes.

1934. What

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[Continued.]

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Vote 23.—Sub-Head A.—Disability Permanent Pensions, &c.—*continued.*

Mr. Wodehouse.

1934. What authority does the Secretary of State recognise as having power to say that his interpretation is wrong?—If a point is raised by the Audit Office and the officers of the Army complain of the interpretation, the Secretary of State would then consider what interpretation the Warrant will bear, and decide accordingly. If he thinks it will not bear the interpretation claimed by the officer, and wishes to concede the point, he necessarily goes to the Treasury.

1935. But if, on re-consideration, he arrives at the conclusion that his original opinion was right, he cares not what authority says it was wrong, as I understand?—Quite so.

1936. He is his own court of appeal?—He is his own court of appeal.

Chairman.

1937. (To Mr. Ryder.) The position you took up just now in your answer I take to be this, that it would be impossible and contrary to common sense that the Royal Warrant should oust either the Treasury or the Audit Office from its constitutional position?—Yes, that is so.

1938. (To Sir C. L. Ryan.) Have you anything further to add upon this point?—I think not beyond what I have stated here. Speaking for the Audit Office I should say that if it is recognised that whenever the Audit Office thinks the interpretation placed by the Secretary of State upon a Royal Warrant is not in accordance with the plain meaning of the Warrant, or not covered by the Warrant, the Comptroller and Auditor General has the right first of all of calling the attention of the War Office to the point, and then of bringing the matter for decision before this Committee, then, so far as the Audit Office is concerned, it is satisfied; but if it is held that the doctrine of interpretation is such that the Comptroller and Auditor General has no *locus standi* for objecting to action under a Warrant, then I think that the consequence which is pointed out in this report would follow.

PENSIONS NOT IN CONFORMITY WITH REGULATIONS IN FORCE AT TIME OF ENLISTMENT OR DISCHARGE.

Chairman.

1939. (To Mr. Ryder.) Objection was raised to three pensions because they did not conform to the regulations in force at the time of the soldier's enlistment or discharge, and were consequently illegal; the Treasury has given reluctant consent to retrospective sanction being given to these pensions, but I see that the Treasury attached great importance to the rule that a soldier must choose between the pension regulations in force at his entrance into the Army and those in force at his leaving it, and cannot claim the benefit of regulations which were in
0.60.

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Vote 23.—Sub-Head A.—Pensions not in Conformity with Regulations, &c.—*continued.*

Chairman—*continued.*

force for an interval only during his service?—Yes, that is the view of the Treasury.

1940. Do you intend that to be the rule for the future?—So far as we are able, and we hope that the War Office takes the same view.

1941. The consent which they have now given implies no general relaxation of that rule?—No.

Mr. Barran.

1942. (To Mr. Knox.) Did I understand that the Secretary of State takes the view that when an alteration is made in the rate of pension after the enlistment of the soldier or an officer, he gets the benefit of any increase of the pension established after his entering the Army?—The rule is that he gets the benefit of any new Warrant which is advantageous to him.

Chairman.

1943. If these new regulations are only in force for an interval during his service, what view do the War Office take?—We have generally taken the view that has been mentioned by Mr. Ryder. But it so happens that when a Warrant is revised for certain reasons, new rules are introduced, which may be generally of advantage to the great body, but there are some few cases in which if the new rules were strictly applied, men might be injured, and it not being the intention of the Secretary of State that they should be deprived of any right they have, it is usual in the Warrant to reserve those rights under those circumstances. The case of these men was a case which was not foreseen when the alteration in the Warrant was made, and as it clearly was not the intention of the Secretary of State to take anything away from them which they were enjoying, and as if their case had been brought before him he would have reserved their rights, he thought that it was a case in which they certainly ought to have the advantage of the Warrant that had only recently been revised.

PENSIONS AWARDED TO SADDLERS.

Chairman.

1944. (To Mr. Knox.) Is it intended to amend the Warrant with respect to pensions which can be awarded to saddlers?—No, I think not. The War Office is quite clear, I think, as to the reading of it; it is an extremely strained interpretation which would put any other view upon it. Before 1881 a saddler was rated as a corporal for pension, but he was not called a corporal; subsequently, by the 1881 Warrant, he was called a saddler corporal, and that is the whole point of the Audit Office objection; they seem to think that there is a difference between the two cases. We hold that the man was a corporal all along; during the time he was a saddler he was rated as a corporal, and subsequently to the Warrant, which

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Chairman—continued.

which gave him definite rank and title of saddler corporal.

1945. (To Mr. *Ryder.*) Has this question been considered by the Treasury?—It has not been brought before the Treasury, and I feel very diffident in expressing an opinion upon it.

1946. (To Sir C. L. *Ryan.*) Have you anything more to say upon this point?—I think not, if it is understood to be the practice. We shall probably take it to be practically an amendment of the Warrant. I should like just to say with regard to all these questions, which are comparatively rather small ones, that the reason why they must necessarily be noticed is that we do not examine the non-effective Votes in the same manner in which we examine any other Votes by taking them in detail once in so many years, but we look at every new pension, whenever granted, on the first payment; and if that pension is passed on the first occasion, no further revision of it takes place so long as the pension lasts. Therefore smaller points are necessarily raised upon these pensions than would be the case otherwise upon a detailed examination of the Votes.

VALUATION OF RESERVE STORES.

Chairman.

1947. (To Sir C. L. *Ryan.*) I believe you have made a test of the Valuation Statement, both as to Clothing Stores and Ordnance Stores, and you have found them to be substantially correct?—Upon the principle upon which they were framed.

1948. Do you find the system of valuation is a costly one?—No doubt it is so, as was pointed out last year.

1949. Are you satisfied that the valuation is of sufficient use to justify its costliness?—I do not think that is a question upon which I can venture to give a definite opinion.

1950. Would you rather reserve your opinion upon it until there has been more experience of the system?—It is rather a question, I think, for this Committee and for Parliament to consider whether they think that the valuation, which is admittedly not an absolutely correct valuation, is a sufficient guide to them to be a matter worth its cost.

1951. (To Mr. *Knox.*) Have you anything to say upon this point?—I know that the Comptroller and Auditor General does not think much of it; but I may say that it has been before the Secretary of State, and he is quite prepared to omit it from his account if the Comptroller and Auditor General does not like it. But he intends to keep it for his own information, although he intends to modify somewhat the form in which it is made.

1952. Last year you told the Committee that the Secretary of State would be glad to give up his expenditure of some thousands of pounds?—

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Vote 23.—Sub-Head A.—Valuation of Reserve Stores—*continued.*

Chairman—continued.

I think that he has altered his mind upon that point. After making a comparison of these valuations for the series of years during which they have been prepared with some modifications, which he proposes to introduce, he thinks that they are very valuable in giving him general information as to the stock of stores in hand.

VALUE OF STORES SUPPLIED FOR THE USE OF THE NAVY.

Chairman.

1953. (To Mr. *Knox.*) The Comptroller and Auditor General calls attention to the Report on Stores for 1886-87, and to the description there given of the inconclusive character of the returns of stores supplied for the use of the Navy; have you any observation to make upon that?—In former times it was not usual to keep in any definite form the value of the stores obtained for the Navy and supplied to the Navy. The War Office succeeded to the function of the Ordnance Office, which was practically to supply both the Army and the Navy with all warlike stores; they were considered in common, and the general demands of all the services were dealt with together year by year, and a sufficient reserve kept to supply both services. It is only in recent years during which so much attention has been drawn to the demands of the Navy (which, of course, have enormously increased during recent years), that we have been working towards the preparation of information of this kind. Now, as the Committee are aware, the provision for Naval Stores is included in the Naval Estimates, and of necessity separate accounts have to be kept of Naval and Army Stores, and they are now of a most complete character and are quite separate.

1954. Does what you said just now as to the opinion of the Secretary of State apply also to this Valuation of Navy Stores?—I think that the opinion of the Secretary of State is that the Navy people ought to have their own stores and ought to make their own valuation; that is certainly my opinion. But if the Navy people do not want this information it might perhaps be omitted, though I think the Secretary of State would prefer, as long as the stores are in his charge, that he should have the same information with respect to them.

1955. Then he does not agree with the view expressed by the Comptroller and Auditor General last year that the return seems nearly worthless?—No.

1956. (To Sir C. L. *Ryan.*) Have you anything further to say with regard to this point?—I think I would rather reserve anything I have to say on this question until I have been able to look into the Manufacturing Accounts at Woolwich, which will enable me to speak with a better knowledge.

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[Continued.]

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STORE ACCOUNTS OF THE ARMY.

Chairman.

1957. (To Mr. Knox.) There seems to have been very long delay in giving the accommodation at the War Office required by the Comptroller and Auditor General?—Yes, and I am not surprised at it. If the Committee were to see the War Office and go over it they would be equally convinced of the difficulty of putting any more men into it.

1958. Ultimately, however, the difficulties have been overcome?—Yes; and some accommodation has been provided in the War Office for the Auditor's Department.

1959. I observe that in the case of the War Office a different course has been taken with regard to the person responsible to this Committee from that which has been taken lately by the Admiralty; you are responsible now, as I understand, for the Store Accounts in the place of the four officers named in the Report for 1886-87; whereas in the Admiralty the Accountant General has been replaced by two other gentlemen?—This follows from the re-arrangement of the constitution of the War Office. The War Office and Admiralty organization has generally been a matter of see-saw; when they make a change in one direction we make a change in another, and when we make a change one way they go the other way; that is my experience for the last 30 years. Now I am responsible for the examination of all accounts, whether Cash Accounts or Store Accounts, and as being so responsible I am named here as the Accounting Officer.

1960. I think that change was partly consequent on the Reports of the Army Estimates Committee of last year, was it not?—No.

1961. Did not the Army Estimates Committee make a recommendation upon the subject?—No, not distinctly. The question was under consideration about the same time, but it was not in consequence of the recommendations of that Committee. I think the opinion was expressed that several Departments were auditing their own accounts, and there was some discussion about that. Now, no Department which gives orders with regard to any expenditure audits its own accounts, whether of store or cash.

1962. You are speaking now, I understand, of the internal examination of accounts on the part of the War Office?—Yes.

1963. That is now conducted under you?—Yes, all of it.

ORDNANCE STORE ACCOUNTS.

Chairman.

1964. (To Mr. Knox.) The difficulty occasioned in conducting the audit of Out-Station Accounts for Ordnance Reserve Stores, and the Equipment Accounts, which was brought to the notice of the Committee on Public Accounts last year, seems still to continue; would not it be possible to shorten the periods over which the Out-Station and Equipment Accounts for Ordnance Stores and Regimental Clothing Accounts extend?—I do not think it would be possible to shorten the period of the accounts, but I think that they may certainly, by an improvement in the system, be rendered very much earlier. The Store Department is one which has certainly developed more during recent years than any other Department of the office. They are spending three or four times as much money as they did a few years ago, and the administrative portion of the work has not developed at the same time that the expenditure has. It has been a pity that it has not been so, and it has been false economy, I think, to cut down the establishments in the way they have been. Perhaps with improved establishments (and I may say this matter is under the consideration of the Secretary of State), an improved system certainly may be introduced, under which the accounts ought to be much more rapidly gone through and overhauled.

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Store Accounts of the Army, &c.—continued.

Chairman—continued.

1965. What do you mean by saying that the administrative work has not developed in proportion to the expenditure?—If you spend four times the amount on stores that you formerly did, and you do not expand your establishment of people who look after those stores, though not necessarily in the same proportion, you will find that your stores will not be so well looked after.

Sir Richard Temple.

1966. How do you account for that very large increased expenditure on stores?—It is due to the development of everything in the way of war-like supplies.

Mr. Barran.

1967. How do you account for that very large increased expenditure on stores?—It is due to the development of everything in the way of war-like supplies.

Sir Richard Temple.

1968. That has not been allowed, I understand?—That has not been done.

1969. You think that that leads really to a loss?—I am sure it does.

1970. To say the least?—To say the least; to lead to confusion, and so on.

1971. And there may be other evils?—Yes, many other evils besides.

Mr. Wodehouse.

1972. Is the question of the increased establishment under the consideration of the Secretary of State?—Yes; the whole question of the Store Department and the localisation of stores.

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1973. You

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Store Accounts of the Army, &c.—*continued.*

Sir Richard Temple.

1973. You mean, as I understand you, that an increase of establishment would lead directly to an increase of economy?—Yes, to an increase of economy and of efficiency; I am sure of that.

1974. You think that it would lead to increase of economy, certainly?—I think so, certainly.

Mr. Barran.

1975. You mean to say that the Department cannot be efficiently administered unless they have a sufficient number of men to do the work?—Certainly.

Chairman.

1976. With regard to these accounts of Reserve Ordnance Stores at Woolwich and of Reserve Clothing at Pimlico, would it not be possible to have much less delay in communicating them to the Exchequer and Audit Office?—With an altered system, which is now under consideration, I certainly think they ought to be rendered without so much delay.

1977. It seems to be the fact that the balances of those accounts are struck half-yearly?—Yes.

1978. Might not the War Office departmental examination of these accounts also be half-yearly?—It is so.

1979. Might they not be concluded within a shorter time than they are?—The Accountant says that the present accounts cannot be rendered for nearly six months after the completion of the time, and then they have to be gone over by the Departmental Examiner before they can reach the auditor.

1980. Is that because of the insufficiency of the staff?—It may be attributed to that very much, because the work at Woolwich is enormous, and it requires certainly a greater sub-division of charge than at present exists there. That is being worked out, and that sub-division will extend throughout the whole service if what I have in my mind is adopted. That will make the working of the thing, by splitting it up, very much more easy; and in that way, I think, the accounts should be very much more readily rendered and more satisfactory.

1981. (To Sir C. L. Ryan.) Do you desire to say anything further with regard to this matter?—No. I understand that Mr. Knox refers to some changes, which I hope will not be delayed, and I shall be able to inform the Committee another year how far that is so.

IMPORTANCE OF CORRECTLY ENTERING CONDITION OF STORES IN THE ACCOUNTS.

Chairman.

1982. (To Mr. Knox.) The Comptroller and Auditor General calls attention to the importance of distinguishing in the records between stores actually serviceable and those partially or wholly unfit for immediate service, and he mentions that some segment shells entered in the Store

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Store Accounts of the Army, &c.—*continued.*

Chairman—continued.

Account as serviceable were found to be useless as segment shells, and after undergoing considerable repairs they were issued in lieu of solid shot to a Corps of Artillery Volunteers; does not this show that the reserve stock may often appear to be larger than it actually is?—If that occurred to any extent it certainly would be so; but this is only one instance, and I have no reason to believe that there are many instances of the kind. Of course it is a thing which ought not to have occurred; it is one of those slips that must happen from time to time.

1983. You admit that such things ought not to happen?—They ought not to happen, but they will.

WOOLWICH ACCOUNTS OF RESERVE ORDNANCE STORES.—STORES IN LEDGERS, ALTHOUGH NOT AT WOOLWICH.

Chairman.

1984. (To Mr. Knox.) It seems that in the Woolwich Ledgers, stores had been entered which had never been in the Commissary General's actual charge; some musical instruments, for instance, were purchased for Kneller Hall, and delivered there, and yet they appear in the Woolwich Ledgers as receipts and issues; what measures are being taken to obviate such an irregularity in future?—It can hardly be admitted as an irregularity; it was a system which I do not think was a good system, and the change that has been made is in the direction which I just referred to of making an alteration as regards the present system of consolidating the accounts of stores. At present the system is the military district system, under which the senior officer of the district is supposed to have cognisance of all the stores in his district, and so any stores that passed into his district were recorded in his books. I do not think it is necessary. I think it is cumbrous, and it is in the direction of a change from that system that I hope some alteration may be made, or, perhaps, I may say has been to some extent made.

DELAY IN TRANSMISSION OF STORES.

Chairman.

1985. (To Mr. Knox.) In the case of some cartridges and other stores issued at Woolwich on the 18th January 1887, and not brought on charge at Pembroke Dock till the 20th May, it seems that they first went to Devonport, and consequently there was a great delay; and further, that although they were received at Pembroke Dock on the 6th of May, 14 days elapsed before they were brought on charge; there has been some charge, has there not, in the arrangement with respect to the transit of stores?—As regards this particular case at Pembroke, there has been a change, because I think an arrangement has been made for the delivery of stores

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Chairman—continued.

stores direct to Pembroke; but a great deal of this depends very much upon the mode of transit that may be adopted at the particular time which depends upon the availability or otherwise of our own War Department vessels, and so on. Sometimes stores that may be required are not wanted in the same hurry that other stores are; so that no general rule, I think, can be laid down in these matters. But these changes which I have hinted at all tend very much to make a more elastic system.

1986. Is it the case that it has been the practice, and, indeed, that there was an actual arrangement to send stores from Woolwich through the headquarters of the district in which the out-station to receive the stores might be situated?—Certainly, that was the system.

1987. And that has been altered?—That is under consideration; that is one of the matters which is now before the Secretary of State, and is being dealt with in the Department.

Mr. Jackson.

1988. Was Devonport the head station in that case?—Yes.

Mr. Barran.

1989. Do I understand that in future Woolwich is to be the head station?—No; in that case Devonport was the military station, where the General Officer for that district resides.

1990. I understand that in future the stores will be delivered direct from the place of their production to their destination?—Not necessarily. They may go very largely to Woolwich. There is very great difficulty as to the inspection; you cannot have a large inspecting staff all over the kingdom, and inspection, as the Committee know, is a very important point now; I imagine, therefore, that Woolwich will be the general receiving place for almost all the stores.

1991. When they are ready for distribution will they be distributed from the place of production to the place of consumption, without going through any particular district head-quarters?—It would depend upon whether it was convenient, but where they can conveniently be sent direct they will go direct.

Chairman.

1992. (To Sir C. L. Ryan.) Do you desire to make any further remark upon that subject?—I think not. The real point seems to be still under consideration, as I understand.

GENERAL QUESTIONS REGARDING STORE ACCOUNTS.

LOAN OF STORES.

Chairman.

1993. (To Mr. Knox.) It seems that occasional loans of stores to private individuals, charitable institutions, and colonial governments, are made under the authority of the Director of Artillery 0.60.

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Chairman—continued.

and Stores; is there any specific regulation empowering this officer to lend Government stores?—No, I cannot say that there is. It has been the practice of the Department, I think, from time immemorial. When people in the neighbourhood who are known to the Department, and are more or less representative people, have asked for the loan of a few flags, and a little bunting to put up on a special occasion, there has been no hesitation to lend them for a day or two.

1994. Has the practice gone no further than that?—It has gone no further than that.

1995. Do you think that there is no need of any regulation to regulate this matter?—I do not think there is.

1996. (To Sir C. L. Ryan.) Have they been only small cases of the kind Mr. Knox has described that have come under your notice?—The particular case upon which we raised the question was a case of rifles and camp equipment. (Mr. Knox.) That was a tent, I suppose, that was lent. (Sir C. L. Ryan.) I suppose so.

1997. (To Mr. Knox.) Have you anything to suggest with regard to this subject; I should have thought that it would have been better, in the case of any public property passing for the time being out of the custody of the Store Department, that some regulation should be laid down so as to define the extent to which the authority might go?—I think we should object to insert in the regulations that the Secretary of State had made certain rules for lending stores to public bodies, or anybody who might ask for them.

Mr. Jackson.

1998. It might carry you further than you anticipate?—Very much so indeed. As it is, it is a mere nothing.

Chairman.

1999. Have you never found this practice open to abuse?—Never in the slightest degree. To take an instance; the Secretary of State would have bunting to decorate his room on the occasion of a dinner being given at the War Office, and it would be very ridiculous to have a special regulation by which he should borrow the bunting from Woolwich and return it the next morning.

SALE OF STORES AT REDUCED PRICES.

Chairman.

2000. (To Mr. Knox.) It seems that stores are sometimes sold to public bodies or private individuals at prices considerably below the rates contained in the Woolwich Vocabulary; there is an instance given in the Report of the Comptroller and Auditor General of harness and saddlery sold to a yeomanry corps at half price, and some guns described as serviceable in the Woolwich Ledgers, and valued at 27 l. 2 s. each, which were sold to a yacht club at 1 l. 18 s. 3 d. each; have you

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you anything to say with regard to those cases?—Those were cases of stores which were, although serviceable, practically not very likely to be used again, and it was thought, when certain yeomanry corps were anxious to do something in the way of equipment, that we should sell them these stores at a comparatively reduced price. They were worn articles, and were passing out of the service, in fact. In that case we really should get a better price than we should if we were putting them up to auction. Of course you cannot actually test it unless you do put them up to auction; but these cases are occurring from time to time, and the Store Officer, on consultation with the Director of Contracts, settles what price it would be fair to ask them to pay, and they pay accordingly.

2001. Then there is the case of guns valued at 27 l. 2 s. each; what have you to say as to that?—That is valued, as I understand, in the Valuation Return, where up to the present time the full value has been put down for every article, whatever its condition may be. It was not the fact that the gun really had that value.

2002. Why was the rule of selling by auction or public tender under the regulations departed from in that case?—It was thought that it was a reasonable offer to take advantage of; that it was a fair price, and quite as much as we could expect to get.

Mr. Jackson.

2003. What sort of guns were they?—They were old metal guns.

Mr. Barran.

2004. What kind of metal?—They were old iron guns.

2005. What calibre were they?—I believe they were nine-pounder guns.

2006. I suppose this was something like the old iron price?—Yes.

Chairman.

2007. I have before me a statement from the Comptroller and Auditor General in manuscript of several sales of part worn water bottles at half price having been made to Messrs. Firmin and Sons. It seems that they were sold on various occasions, the payments being April 1886, February 1887, and July 1887; can you give me any information upon that matter?—This, as I understand, has been done in accordance with a practice to (if I may use the term) oblige the contractors from time to time with whom we have dealings, and done at the suggestion, and with the concurrence of the Director of Contractors.

Mr. Jackson.

2008. Would you be buying new ones of the same kind at the same time that you were selling the old ones?—No, certainly not. Those sales

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Store Accounts of the Army, &c.—*continued.**Mr. Jackson*—continued.

are antecedent to my time, and did not come under my cognisance at all.

Chairman.

2009. I observe in the last two sentences of this paragraph the War Office, in their letter of September 1888, refer to the regulation as covering these sales which, however, the Comptroller and Auditor General thinks does not apply; he points out that the next article lays down that when a sale is authorised, the stores will be sold by auction or by public tender?—I do not know that I saw this case. On consideration, I am rather inclined to agree with the Comptroller and Auditor General; I do not think that the regulation does apply. That regulation is that when the stores have been actually condemned and set aside, they may be sold under certain circumstances. That is not the case of these stores.

2010. Does not it seem that there should be regulations for all cases of sale; is there any reason to depart from the general rule of selling by auction or public tender; should not such cases be regulated?—The regulation is that the Store Department confers with another Department (the Director of Contracts), and such arrangements will be approved by the Financial Secretary; so that you get three perfectly independent and responsible persons agreeing as to the transaction. I do not think you can possibly have a better regulation, and I do not think it should be more definitely laid down.

2011. Are none of these sales without auction or public tender made unless that condition is fulfilled?—Certainly not.

2012. (To Sir C. L. Ryan.) Have you anything to say with regard to the explanation that has been given?—I should like to know whether I might take it that the special sanction of the Financial Secretary is given to every case of this kind. Probably if we saw that on paper we might not find it necessary to call attention to these cases. As the matter now stands there are sales not sanctioned by regulation at all, which upon the face of it appears to us to be a matter having come within the very narrow range of our test, to which we ought to call attention. (Mr. Knox.) I certainly think, under the new constitution of the office, that will always be done and always should be done.

2013. (To Mr. Knox.) Perhaps that matter will receive your attention?—Yes.

AUTHORITY FOR WRITING OFF
DEFICIENCIES.*Chairman.*

2014. (To Sir C. L. Ryan.) I am not quite sure to what you refer when you say that the Report of the Committee of Public Accounts, 1888, leads to a certain inference?—I think that the

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and Mr. KNOX, C.B.

ARMY APPROPRIATION ACCOUNT.

Store Accounts of the Army, &c.—*continued.**Chairman*—continued.

the Report was dealing with both the Army and the Navy as to the sanction for writing off deficiencies, and I imagine that in the case of the War Office the recommendations then made have been accepted.

2015. (To Mr. Knox.) Have any regulations been issued or are any contemplated?—We have hardly been in a position to issue any regulations, but it has been required that all losses proposed to be written off by any department in charge of stores (or indeed any other loss) shall be as a matter of course referred to the Finance Department of the War Office. If this loss has been one which is regarded as properly chargeable against the responsible person, it is not written off without the sanction of the Treasury, and we report all those losses to them where there is a net loss chargeable against the responsible officer.

OFFICERS' PAY NOT LIABLE FOR LOSS OF STORES.

Chairman.

2016. (To Mr. Knox.) It appears from the correspondence laid before this Committee, in the Appendix to the Store Accounts, that deductions cannot be made from an officer's pay to make good a loss of public stores occasioned by his neglect of duty or carelessness, but not established against him by a court-martial and in the particular case referred to there the only mode of recovering the money lost by the officer was by deferring the promotion which he was about to receive, thus depriving him of so much pay; would not it be desirable to amend the Royal Warrant?—No, it is thought not certainly. It is thought that anything which may be stopped from that officer as a punishment for that officer's carelessness must be in accordance with law rather than warrant. All punitive stoppages, for instance, are laid down by the Army Act, and the Army Act does not (unless the officer has been tried by court-martial) allow of the pay of an officer being stopped for such purposes as this. It treats losses of this kind as a matter of discipline, and it holds that the officer must be punished where he offends against discipline by the ordinary disciplinary methods.

2017. In this case it seems to have been recognised that there was no legal power to recover the money from the officer, by stoppage or reduction of pay; but it happened that the officer was about to be promoted and the mode in which the money was recovered was by delaying his promotion?—The effect of it, so far as he was concerned, was that he lost the money, but the money was not recovered, because somebody else was promoted in his place. But it had that effect as regards the man himself.

2018. That is no doubt a more exact way of putting it; but supposing that the officer had just had his promotion and was not going to have another promotion for some years, there would be 0.60.

ARMY APPROPRIATION ACCOUNT.

Store Accounts of the Army, &c.—*continued.**Chairman*—continued.

no possibility, would there, of making him suffer for the loss?—None.

2019. If that is not owing to a defect in the Warrant does not that point to a defect in the law?—That, of course, is a matter of opinion, but the military authorities are decidedly opposed to any change of the kind which would make an officer pecuniarily liable for any such loss as this.

2020. Is not the result of it that two officers might be treated unequally; the one who had just had his promotion would be treated differently from the one who like the officer in the case in question was just about to be promoted?—The other officer might be punished in a very different way; he might be refused promotion altogether subsequently.

2021. That would be rather remote, would it not?—But perhaps it would be a very much more severe punishment, because it might blast the man's whole career. This was regarded as a comparatively light offence, but it was thought on the whole that the officer was certainly to blame; there was a difference of opinion really as to whether he was to blame, but it was decided there was some remissness on his part, and this punishment was regarded as sufficient.

Mr. Barran.

2022. Was he a military officer?—He was a military officer of the Store Department.

Mr. Wodehouse.

2023. What are the special objections in the view of the War Office to making an officer pecuniarily liable?—I really do not know that I am in a position to explain all the grounds, but I think a very general one may be that an act of carelessness may lead to very different results as regards the amount and value of the losses incurred; although the act of carelessness might be precisely the same in two cases you cannot measure the act of carelessness by the exact loss which is incurred in either case. Then again it is felt that the officer is not paid, and does not hold his position in such a way that we could make him responsible for the extra losses which might arise from an error of judgment, which would appear in the minds of some persons to be carelessness or omission on the part of the officer; but an officer is liable in many instances to make good deficiencies. An officer in charge of money, or an officer in charge of the stores and so on, is bound to account for his money or stores, unless he can show very good reason for not doing so. In this case, which I always thought was a hard one, the officer was in charge of stores in South Africa, the stores being scattered over extemporised storehouses, over a large district of country. The native people there, of whom 99 out of 100 are rogues and thieves, broke into those store-houses, and ran off with some rifles.

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It

22 May 1889.] Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., Mr. RYDER, [Continued.
and Mr. KNOX, C.B.

ARMY APPROPRIATION ACCOUNT.

Store Accounts of the Army, &c.—*continued.*Mr. Wodehouse—*continued.*

It appeared that this officer, when examined about them, was not able to state exactly what rifles had been stolen, or when he had received them, or something of that kind; and that was supposed to be somewhat careless on his part, and we were unable to convict the thieves, though they were arrested in consequence of the want of technical evidence of that kind. It was thought that possibly he might have been more watchful than he had been; that was the opinion of some.

2024. In the case of an undoubted gross neglect of duty would a pecuniary claim be made against the officer then?—No; but the officer would be punished.

Mr. Barran.

2025. He would be reduced in rank perhaps?—He is subject to all sorts of severe penalties of various kinds.

Chairman.

2026. What is the nature of the claims that could be made against an officer under the law?—Those which I mentioned in the case of an officer in charge of money or stores, if there was an excess of issue of pay or allowances, or if anything had been improperly drawn by the officer we could recover from him.

2027. The suggestion of the Treasury, I think is that in addition to this "public claim," as it has been hitherto interpreted, a loss like that which happened in this particular case should be a fair subject of public claim against an officer?—As I understand the suggestion, it really is to include any claim against an officer for which he is civilly responsible if his employment were that of a private person.

2028. (To Mr. Ryder.) Have you anything to say on this point?—The Treasury wish to induce the War Department to consent to the extension of the meaning of the term "public claim;" we did not propose any alteration beyond that. We thought that what we wanted would be met by a widening of the meaning of that term, and we were fortified in our desire by the knowledge that the Admiralty regulations contained the sort of provision that we want, and we thought that the War Department might usefully have the power that the Admiralty have. We did not in any way mean that in every case an officer responsible for

ARMY APPROPRIATION ACCOUNT.

Store Accounts of the Army, &c.—*continued.*Chairman—*continued.*

the loss of stores should be fined the whole amount of their money value; all we wanted was that there should be some power, if necessary, to fine him more or less.

2029. (To Mr. Knox.) There might be in a service like that of South Africa military officers and naval officers serving side by side, and one would be held responsible and fined, where the other would not?—The naval officer would not be in charge of any stores on land.

2030. Might he not be?—No, he would be supplied with stores from the Army if he were serving on land.

Mr. Wodehouse.

2031. Have the War Office fully considered this case, and are they unwilling to consider it further?—I do not know that that fairly represents their position; I think they are quite willing to do anything that is reasonable. They do not wish to defend an officer who is guilty of carelessness, but they cannot but consider the arguments which are advanced by the military authorities, and which have obtained up to the present time.

Chairman.

2032. Have they ever considered the Admiralty Regulations on the subject?—Their attention was drawn to them of course in this case, but there was a very strong representation from the military authorities that the cases could not be treated similarly.

2033. (To Sir C. L. Ryan.) Have you anything further to say with regard to this subject?—I think not; I think it is rather a question for the Treasury and the War Office to consider.

VALUATION OF DEFICIENT STORES.

Chairman.

2034. (To Mr. Knox.) Is there any intention to issue printed regulations on the subject of the valuation of deficient stores?—I do not know that it would be advisable to do so, but I think the point is very well worth consideration. There is no present intention of doing so.

2035. Will you undertake that that point will be considered?—Yes, I will.

[The Witnesses withdrew.]

Wednesday, 29th May 1889.

MEMBERS PRESENT:

Mr. Barran.
Sir Walter Barttelot.
Mr. Sydney Buxton.
Mr. Jackson.

Sir Ughtred Kay-Shuttleworth.
Sir John Lubbock.
Sir Richard Temple.
Mr. Wodehouse.

SIR UGHTRED KAY-SHUTTLEWORTH, BART., IN THE CHAIR.

CIVIL SERVICE APPROPRIATION ACCOUNTS, 1887-88.

Mr. EDWARD W. HAMILTON, C.B., and Sir CHARLES LISTER RYAN, K.C.B., re-called ;
and further Examined.

Chairman.

Chairman—continued.

2036. (To Mr. *Hamilton*.) I OBSERVE that in his General Report the Comptroller and Auditor General raises the question of the value of the returns of total and net cost, which have hitherto been appended to the Reports upon each Vote, but have this year been furnished in a somewhat different form at the end of each class; he draws attention to the fact that a statement of this character is now attached to the Estimates, and he asks whether anything would be gained by continuing to append these returns to the Reports of the Comptroller and Auditor General upon each Vote; what view would the Treasury take upon that question?—At the Treasury we attach great importance to the information which these returns, hitherto prepared by the Comptroller and Auditor General, contain, and we should be very sorry to see them discontinued. The notes now added to the Estimates (which, as I understand, the Comptroller and Auditor General thinks might take the place of the returns he has been in the habit of appending to his Report) are necessarily much more of an estimate, more of a “shot,” so to speak, than what he at a later period is able to append in these returns. I should therefore be sorry to see these returns given up, but I think that, instead of being embodied in the Report, they might well be scheduled as they are this year at the end of each class. I thought it would be worth considering whether the Comptroller and Auditor General would consent to give the information in the form of a summary of schedules appended to his Report. That would enable the information to be always at hand. And although perhaps the Comptroller and Auditor General might say that it was more the duty of the Treasury to prepare such a return, it is, of course, an object not to multiply returns too much. People have become accustomed to find the information in the Appropriation Accounts, and if the Comptroller and Auditor General did not object to give the in-

formation in this somewhat altered form, I think it would be a great advantage.

2037. I think that you attach importance to these returns, as enabling you to go back to past years, and to have a definite statement of what was spent each year on each Vote?—Yes, as showing what was actually spent on each Vote. For instance, if honourable Members will turn to page 238 of the Statement appended to Class II., they will see that the voted expenditure in the Appropriation Accounts for each service represents very inadequately what the real cost of a service is; and it is of very great importance very often, for the purposes of comparison, and for other purposes, to arrive at what the actual cost is of a particular service.

2038. It is obvious that a comparison with the figures appearing in the Estimates of earlier years would not help you in that respect?—No; I think it is a matter for consideration, if the Comptroller and Auditor General would agree to append this information to his Report in some such way as is suggested, whether the items of postage and telegraphs ought to be included. They are extremely doubtful items, because they are in reality pure shots, although I believe in the departments there is some sort of calculation made by weighing the quantities occasionally. As regards postage, of course out of the postage the State makes a very considerable profit, and therefore the actual cost that we should incur, if we had to pay the postage, would not represent the cost to the State.

2039. (To Sir C. L. *Ryan*.) Taking that point first, do you attach much importance to the columns bringing into the gross cost of each service the expense of postage and telegraphs?—I think that I can hardly answer that without dealing with the question of principle. The reason of the suggestion is that we found these particular statements were constantly being challenged by the departments. They say, for instance,

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[Continued.]

APPROPRIATION ACCOUNTS.

Chairman—continued.

instance, "You state in your Report to Parliament the gross cost of the office is so and so; we do not agree to that; we do not admit that this particular service has cost so much;" and, inasmuch as I was bound to admit in many of those cases the justice of the objection made, it threw a doubt, so to speak, upon the accuracy of the whole Report. The greater part of the value of these Appropriation Accounts, as compared with the Statements of Exchequer Issues or the Statements of Estimates, is, that they are based upon actual facts ascertained and capable of proof, such proof as vouchers will afford. In the case of these statements of total cost they are the estimates made by the departments themselves of what the particular service cost out of the total sum allotted to that department by Parliament for the work they had to do; and the very statement which Mr. Hamilton has now made, that the Post Office return to us from which we make this calculation, is merely "a shot," shows that if the returns are to be appended to a Statement of Account which purports to be an absolutely correct statement, they must be appended at all events in some such form as not to mislead.

2040. Do you not accomplish that to a considerable extent by separating this Statement from your Report on each Vote, and placing it as a sort of Appendix at the end of each class?—If I felt myself absolutely free to deal with the matter, it would have been a question whether I should not have omitted them altogether; but this work was not undertaken voluntarily by the Exchequer and Audit Department; it was undertaken at the request and with the approval of this Committee.

2041. That was in 1880, I believe?—That was so; and I felt that it would be improper to take any strong or decided step in this matter without the approval of the Committee. If the Committee think, for the reasons which Mr. Hamilton has given, and for others which occur to them in Parliament itself, there is a real value in these returns, though they are admittedly not substantiated by actual figures; I am quite willing, so far as the Audit Office is concerned, to continue the labour; but I should wish to do it with the clear understanding that I do not certify to the accuracy of these returns.

2042. Would it not be well to introduce some word, such as the word "approximately," in order to make a distinction between your signature to this statement, and your signature to other statements. For instance, I see at the top of the return, on page 238, you have the words, "The subjoined statement will show the gross and net cost of each service, and then at the bottom comes your signature as Comptroller and Auditor General; would not it be well to put in the word "approximately," so that it would read, "The subjoined statement will show approximately the gross and net cost of each service"?—I am quite prepared, in fact I should desire to take any step which I might properly take to show that I do not certify to the accuracy of these statements. Substantially, I think, they

APPROPRIATION ACCOUNTS.

Chairman—continued.

do represent a very near approximation to fact, but I cannot vouch for them.

2043. The other columns are surely a much nearer approximation to fact than the columns with regard to postage and telegraphs, are they not?—There are some columns here which are absolute fact.

2044. The column headed Consolidated Fund, for instance?—The Consolidated Fund column, of course, is an absolute statement of the funds issued from the Consolidated Fund.

2045. The figures in the column headed "Expenditure, 1887-88," also represent absolute facts?—Yes. If the Committee will allow me I will take the headings in order as they stand. The next heading to that of Consolidated Fund is "Buildings, Maintenance, and Furniture, Surveys, &c.;" that is an estimate given to me by the Office of Works, and stands, practically, upon their authority and not mine. Then taking the next column "Rates," those are, I think, absolute. Then "Cost of Audit" is an estimate made up in my own department; "Printing and Stationery" is an estimate furnished to me by the Stationery Office, and is an estimate, of course, for which I am not responsible; "Law Expenses" are absolute fact; "Superannuations" are absolute fact; because we take out the actual amount of superannuation, and, therefore, those figures represent the absolute payments within the year for the particular departments; "Postage" and "Telegraphs" you have already considered. (Mr. Hamilton.) The reason why I suggest a distinction between postage and telegraphs and other expenses is that this return to a great extent is intended to show what the actual cost to the taxpayers of such and such a service is; and, of course, the amounts put down here for postage and telegraphs do not represent the cost to the taxpayers, because they would include the profit made by the State on postage.

2046. (To Sir C. L. Ryan.) Perhaps you would consider whether it might be well to omit "Postage" and "Telegraphs" from the statement of the cost of the services?—I should be rather averse to doing it *prima facie*; because then, I think, it would be imagined that the postage of the Treasury did not cost anything; whereas, of course, it does cost something, though not the exact sum there set down. The margin of profit, of course, cannot be given accurately, because you must split up the whole Vote in order to arrive at these figures.

2047. It would be a matter of general information, would it not, that there was a set off against the expense of postage in the profits of the Postal Department?—Yes; and if the statement is now to be distinctly understood, and it is stated as you suggest, on the face of it, to be an approximate statement, and not a statement either binding my office or professing to be absolutely accurate, then I think that the "Postage" and "Telegraph" should be retained, because they represent what, in the rough judgment of the Post Office, is the portion allotted to the Treasury or to the Audit or to any other Departments,

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[Continued.]

APPROPRIATION ACCOUNTS.

Chairman—continued.

Departments. (Mr. *Hamilton*.) No doubt the Treasury and the Audit Office will be able to come to an agreement on this point.

2048. (To Sir C. L. *Ryan*.) I see that when these accounts were made out in 1880 the Public Accounts Committee made this remark: "These returns, though for the reasons assigned in the Minute of the Comptroller and Auditor General, they may not be absolutely accurate, substantially furnished the desired information to Parliament;" so that at the time the system was instituted it was quite understood that the statements might

APPROPRIATION ACCOUNTS.

Chairman—continued.

not be absolutely accurate?—It was so stated at that time.

Mr. Barran.

2049. (To Mr. *Hamilton*.) I want to ask whether the cost of postage shown in this statement is the cost of postage under ordinary circumstances?—It is what a private individual, according to a rough and ready estimate, would pay for the same stamps.

2050. Without any deduction for the profit made by the Post Office on behalf of the nation?—Yes.

CLASS I.—On VOTE 3.

ROYAL PARKS AND PLEASURE GARDENS.

Mr. HENRY WILLIAM PRIMROSE, C.S.I., called in; and Examined.

Chairman.

2051. (To Mr. *Hamilton*.) THERE was a gratuity paid under the authority of the Treasury to the widow of an under-keeper at Richmond Park, who applied for an allowance out of the "Skin and Horn Fund;" it seems that the proceeds of the sales of skins and horns have been for some years paid into the Exchequer, and the receipts brought to credit in the present year amply suffice to meet the charge; under those circumstances the Treasury, I think, have approved of the payment of this gratuity?—That is so. There have been one or two precedents for a similar grant.

2052. (To Mr. *Primrose*.) With respect to the arrangements for the new roads at Hyde Park

Chairman—continued.

Corner, it seems that the sum of 2,688*l.* 14*s.* 11*d.* has been paid out of the Civil Contingencies Fund; it had been anticipated that the expenditure would have been repaid, but no liability was imposed by the Act on the parishes concerned, and therefore I think you had to obtain Treasury authority for the repayment out of this Vote of these advances?—Yes; that was so.

2053. That was in consequence of anticipated legislation not being effected?—Yes. The original Bill proposed that the parishes should repay the amounts that we had expended on maintenance, but that provision was dropped out of the Bill as it passed.

On VOTE 6.

PUBLIC BUILDINGS, GREAT BRITAIN.

Chairman.

2054. (To Mr. *Primrose*.) In connection with the transfer of the Duke of York's Column to the care of your office, the stock and cash which were in the hands of Mr. Cox have, I think, been handed over to the Commissioners for the Reduction of the National Debt?—Yes, on the 20th of September.

2055. No Parliamentary sanction, I think, has been yet given to this transfer of the maintenance of the Duke of York's Column from private trustees to the Office of Works?—No; if the trustees had been in existence, I think there would have been no difficulty, because under the Public Monuments Act the procedure to be followed is prescribed. The difficulty here was that the original trustees were all dead, and there were no successors.

2056. (To Mr. *Hamilton*.) Does the Treasury think it necessary that Parliamentary sanction should be obtained?—I thought it might be assumed that the transfer was made under Parliamentary authority, the Act 17 & 18 Vict. c. 33, the Public Monuments Act, to which Mr. *Primrose*.

Chairman—continued.

rose has referred, being held to cover the case, for it says: "It shall be lawful for the owners of any statue, not mentioned in the Schedule to this Act, but which is, or may be, situated within the Metropolitan Police District, with the assent in writing of the Commissioners of Her Majesty's Treasury, to transfer such statue to the Commissioners of Her Majesty's Works and Public Buildings." I gather from Mr. *Primrose* that his difficulty arises from the use of the word "owners," and there not being owners in existence in this case? (Mr. *Primrose*.) Quite so. (Mr. *Hamilton*.) It was however done under legal advice; and, therefore, I do not myself think that any further Parliamentary authority is required.

2057. You do not think that any question is likely to arise?—I do not think so.

2058. (To Sir C. L. *Ryan*.) Do you wish to press this point further?—No. The charge appears under a Parliamentary Vote for the first time, and I therefore thought it right to bring forward the circumstances respecting it.

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Mr. PRIMROSE, C.S.I.

[Continued.]

APPROPRIATION ACCOUNTS—Class I.

On VOTE 9.

REVENUE DEPARTMENT BUILDINGS, GREAT
BRITAIN.*Chairman.*

2659. (To Mr. Hamilton.) It seems that Treasury authority was obtained in the case of several excesses on "New Works," but not in the case of Knightsbridge and Coldbath Fields Post Offices; has the sanction of the Treasury been since given?—In both cases it has been since given. There was some delay caused by the rather lengthy correspondence which the purchase of both those sites involved.

On VOTE 12.

SHERIFF COURT HOUSES, SCOTLAND.

Chairman.

2660. (To Mr. Primrose.) How was it that no provision was made in the Estimates for half of the expenses of the New Court House at Oban and of the Drainage Works at Glasgow?—As regards Oban, if I remember rightly, we intended to provide in the next year, 1888–89. The county sent in their claim rather sooner than we had expected, and having money available on Hamilton (the county being late with their works there), we asked the Treasury to allow us to meet the claim from the county as regards Oban out of the money for Hamilton.

2661. Then was the additional charge, which was not anticipated in the Estimates for the succeeding year, thrown into the charges in the following year, with respect to Hamilton?—Yes, with respect to Hamilton.

On VOTE 13.

SURVEYS OF THE UNITED KINGDOM.

Chairman.

2662. (To Mr. Hamilton.) The Comptroller and Auditor General suggests that the expense of 658 l. for the erection of new presses charged to Sub-Head F. of this Vote should rather have been charged to the Vote for Public Buildings under the Sub-Head Survey Buildings; what do you say to that?—I think that the Comptroller and Auditor General's contention would be the correct one, as a general rule; but in this particular instance, as I understand it, provision had been actually made in this Vote for the presses; I believe the provision was not quite sufficient, but still a provision having been actually made for these presses, I think it was correct to charge it to this particular Vote in this instance.

2663. You think that it was rather a mistake in the framing of the Estimates?—Yes; if the Treasury had been asked how the presses ought to have been provided for, I think we should have said, you must make provision for them in the Vote for Public Buildings.

2664. (To Mr. Primrose.) Have you anything to say upon this matter?—No, I agree; I think

APPROPRIATION ACCOUNTS—Class I.

Vote 13.—Surveys of the United Kingdom—
*continued.**Chairman—continued.*

it is undesirable to be paying out of two separate Votes for what is practically very similar work. I should rather have preferred the suggestion we made at one time to transfer from the Public Buildings Vote, the Sub-Head of "Survey Buildings," and put it under this Vote, so that the Ordnance Survey Vote should cover all services connected with the Ordnance Survey. Then there would be a Sub-Head for Buildings and for the Maintenance of Buildings under this Vote. I think that would be perhaps preferable to enlarging the Sub-Head which is now under the Public Buildings Vote.

2665. (To Sir C. L. Ryan.) What have you to say to that suggestion?—I think that is rather a matter for the Treasury, but I should have no objection to the proposal if they agreed to it.

2666. (To Mr. Hamilton.) Do the Treasury agree with what Mr. Primrose has suggested?—Their only real objection is that it makes comparisons very difficult; and the principle of what we call a "self-contained Vote" (that is, a Vote containing the whole expenditure of that particular service) is not admitted at all in the Estimates; yet, I think it may be a good suggestion, and there is a very great deal to be said for it; but it is difficult always to justify changes of this kind, having regard to the manner in which they upset comparisons, and to the fact that there are a great many anomalies of this kind.

2667. You think that any advantages that might result from the change might be outweighed by the consequent difficulty of making a comparison between one year and another?—I think so; it is a very small matter.

2668. (To Mr. Primrose.) I am glad to observe that there is some improvement as regards the balance outstanding for payment for maps for the Land Judges' Court, Ireland, but the Committee has repeatedly called attention to the fact that more stringent steps should be taken to reduce this balance, as far back as the Report of 1882 dealt with that matter in rather strong terms. The balance is still very large; cannot any further steps be taken to reduce it more rapidly?—I think, perhaps, I may best answer the question by reading, if you will allow me, this extract from the Report of January last from the Director of the Survey. He says: "The increase in the net amount of debt is due to the difficulty of sale during the year, and to the large amount of unfinished work. The total net balance is not for rental maps only. In a great number of cases the proceedings have not been carried to the rental map stage, and the survey account is for survey, draft, and service maps, or for survey and draft maps only. It is these cases, in which, from various causes, it has not been possible to pass the estates through the Court, that increased the balance." It is not until all operations in connection with the sale are completed that the money comes into the survey, and it takes on the average about three years, or rather more than three years, I believe, for

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[Continued.]

APPROPRIATION ACCOUNTS—Class I.

Vote 13.—Surveys of the United Kingdom—
*continued.**Chairman*—continued.

for the proceedings in connection with the sale of an estate to be brought to a conclusion, when the money is paid to the survey; therefore we must always have a very considerable outstanding balance. The Director of the Survey adds, "The final payment of the accounts is fully secured, and in this connection I would draw attention to the very trifling loss incurred through bankrupt or defaulting solicitors during the large money transactions that have taken place since the Ordnance Survey undertook this work 30 years ago."

Mr. Jackson.

2069. Does he give any figures in support of that statement?—No; he does not give any figures there.

Chairman.

2070. I see last year it was stated to this Committee that the old arrears had been for the most part paid, and that the sum now outstanding represents more recent transactions; do you know what the old arrears now amount to?—On the 30th of September 1885 the outstanding balance due for works done and maps supplied for the Land Judges' Court was 13,000 *l.* and odd; on the 30th of September 1888, 8,246 *l.* of this had been paid off, leaving a balance still due of 4,903 *l.* Therefore on the 30th of September last that balance of nearly 5,000 *l.* was more than three years' old.

2071. Then it is only a little more than half the sum now due which represents recent transactions?—I think that three years is the time that it used to take for an estate to go through the Land Court, but the Director of the Survey says that it takes longer now. He says: "In my report of the 5th of February 1887, which I presume is alluded to in this paragraph, I stated that the average time which an estate took to pass through the Court and proceed to a sale was three years before the present agitation; it is probably longer now." Therefore, when I said three years, one ought to take rather longer to see what would be a fair working balance.

2072. (To Mr. Hamilton.) Has the Treasury any suggestion to make with regard to this matter?—No, we have no suggestion to make; there has been some improvement in the last few years, no doubt.

Mr. Barran.

2073. (To Mr. Primrose.) On the whole, you consider that the money owing is a pretty safe debt?—We are so advised. The Director of the Survey considers that it is well secured.

2074. The delay in payment, I understand, is only in consequence of the delay of the Land Court in getting through this business?—Yes. There are certain amounts which have been standing out for too long a period; no doubt there has been difficulty in getting them in; but when the sale actually takes place we shall probably get our money.

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APPROPRIATION ACCOUNTS—Class I.

Vote 13.—Surveys of the United Kingdom—
*continued.**Mr. Barran*—continued.

2075. In some instances I understood you to say the loss was in consequence of the defaulting solicitors, but that was only to small extent, I think?—Only a small amount.

Mr. Jackson.

2076. Do you know what power you have to secure the earlier payment of these amounts?—I fancy we can only write and ask for payment; but the Court can exercise certain powers, and they do. Only last year I think I remember reading to the Committee some remarks of the late Colonel Coddington, who says: "It is evident that the Court can collect money where the Ordnance Survey cannot, for by its compulsory action 1,009 *l.* 3 *s.* 9 *d.* was paid which has been owing for years, and which, without such action, would be still owing. As far as my transactions with the officials of the Court are concerned, I have none but the most unqualified feelings of respect and gratitude to them for their most willing assistance in every way they can." I find that during the last two years the Court has passed orders which have resulted in our getting in more money than we should otherwise have done. Colonel Coddington says in this memorandum, "The Court took action of a compulsory nature in 59 cases."

Sir Richard Temple.

2077. Is this outstanding balance never to be stopped; is its annual recurrence to be considered as a necessary evil?—I think as long as the sales go on in the Land Courts there must be a considerable outstanding balance.

Chairman.

2078. The only question is as to what the amount may be?—Yes.

Mr. Barran.

2079. Does it not arise from the fact that when a case is entered in the Courts these maps are provided for the purpose of settling the case, and until the case is completed the liability does not attach to the persons before the Court?—That is so.

2080. When that liability has attached, then the debt becomes due to the authorities?—Yes.

2081. It is in consequence of that delay that the payment of this money is delayed?—Yes.

2082. And you cannot alter it except that the arrears ought not to be allowed to remain after the cases have been settled.

STORE ACCOUNTS.

Chairman.

2083. (To Mr. Hamilton.) The Public Accounts Committee last year expressed an opinion "that it may be worth consideration whether the divisional records of Stores might not be so extended as to include stationery;" on that, I think

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[Continued.]

APPROPRIATION ACCOUNTS—Class I.

Vote 13.—Store Accounts—continued.

Chairman—continued.

think, that the Treasury Minute suggested that “the decision upon this point depends mainly upon the magnitude of the amounts involved.” Has the Treasury as yet come to any conclusion upon this subject?—We have had an answer from the Office of Works to our Minute, but there has been no conclusion yet arrived at by the Treasury; we had the matter very recently before us, but we have not come to any decision upon it.

2084. (To Mr. *Primrose*.) Some discrepancies have been discovered as to deficient stores, and two of them are noted especially by the Comptroller and Auditor General; one case was that of a prismatic compass, which was lent to the War Office in 1879 and has not been returned, and the other was the case of a pentagraph, which was lent to the War Office in 1884 and used in Egypt; have you anything to say with regard to this matter?—We have not charged the War Office with the expenses of those two articles, because we interpreted the Treasury Minute that we had on the subject as requiring that we should not do so; but I gather that the Comptroller and Auditor General does not so interpret it. I refer to the Treasury Minute of the 25th of July 1879. This Minute deals more with the question of inter-departmental payments than with such a case as this, but at the same time we applied what we understood to be the principle of it to these cases. This is the Minute: “We think that the cases thus mentioned have been properly treated.” (Those were cases of expenses incurred for the War Office.) “The rule seems to have been followed (which, so far as the present position of the question admits of stating it, we think the correct rule) that services rendered by the Survey Department, which it is the particular function of that Department to render, and which are chargeable on Imperial Funds, should be borne by the Survey Vote; and that in the other cases, when the Department merely acts on behalf of another Department in making purchases, &c., for which its agency is a matter of convenience, the expense incurred should be repaid by the Department which originates it.” On that we considered that lending an article which we were not actually buying for them, but had in store, and were not using, would come rather under the head of services performed than under the head of purchasing for another Department; and, in consequence, we lent these articles without any charge. I may mention that, as regards the War Office, the Director of the Survey explained to me recently that the original Topographical Department of the War Office, out of which the present Intelligence Branch sprang, was really practically a branch of the Survey, or was formed by drafts of officers from the Survey; the consequence is, that at its inception there was a very intimate connection between that branch and the Survey, and things were lent very much more readily than they would be now; as a matter of fact, it is hardly a practical question to-day,

APPROPRIATION ACCOUNTS—Class I.

Vote 13.—Store Accounts—continued.

Chairman—continued.

because we very seldom now do lend anything, or are asked to do so.

2085. (To Sir C. L. *Ryan*.) I see you state that a Treasury letter was furnished to you in order to show you what were the rules in force for the loan of articles by one Department to another; but you say you do not find in that Treasury letter any sanction for the practice referred to?—The Treasury letter, which was the one which Mr. Primrose has just been quoting related to inter-departmental payments, and was not intended to cover this question of the loan of stores; and it seemed to us that the question should be considered, and some regulations should be laid down with regard to the responsibility for stores transferred on loan from one Department to another.

2086. Do you think if they remain on loan beyond a certain time they ought to be paid for?—I think they ought to be informed not to lend on loan; at all events, without the responsibility for the articles being clearly fixed upon some one. The danger is that they come to be regarded as under nobody’s special charge.

2087. In the case of the prismatic compass, for instance, that could not be found, I understand?—That could not be found.

2088. (To Mr. *Hamilton*.) Have the Treasury anything to say upon this point?—I think that the Treasury letter, which Mr. Primrose quoted, was hardly in point here, and I agree with the Comptroller and Auditor General that in order to meet the case of articles lent by one Department to another there should be special regulations laid down, and I think that the Treasury will take an opportunity of so doing; it is clear that the Department which has lent an article should have some idea of the period for which it is lent, and also that the Department which borrowed the article should take it on charge.

Mr. Barran.

2089. (To Mr. *Hamilton*.) Would not it be better in a case of that kind for one of the Departments to transfer the article to another Department at a fixed charge?—There is often an inconvenience about making a charge. Taking a Vote like the Vote we are at present dealing with, if the War Office made a payment to the Survey Office, that payment would have to go to the Exchequer, and it always complicates the accounts; it swells both sides of the account unnecessarily.

2090. Still it would be only like an ordinary arising in the Department, would it not?—Yes; but we are always trying to reduce as far as possible those payments into the Exchequer. It seems rather absurd for one Department to make a payment and for another department to repay the same sum into the Exchequer.

2091. Still if, as in this case, one Department lends to another, that system may be very much abused,

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[Continued.]

APPROPRIATION ACCOUNTS—Class I.

Vote 13.—Store Accounts—*continued*.Mr. Barran—*continued*.

abused, and any tracing of the article may be made difficult?—I think that the risk of abuse would be much diminished if there were some regulations laid down.

On VOTE 14.

SCIENCE AND ART DEPARTMENT BUILDINGS,
GREAT BRITAIN.

Chairman.

2092. (To Mr. *Hamilton*.) Are the Treasury satisfied that the re-sale of a small plot of land to the Exhibition Commissioners at the price at which the original purchase was made was proper under all the circumstances?—Yes, it was very carefully considered by the Treasury, and they came to the conclusion that it was a fair bargain to make with the Commissioners.

2093. (To Mr. *Primrose*.) What use are the Commissioners making of the land thus re-sold to them?—A private residence has been built upon it.

2094. What is the nature of the private residence?—It is a new house which is being built on the south of the Imperial Institute-road at the Queen's Gate end.

2095. Is it a residence for the purpose of the Exhibition?—No; it was let on a building lease by the Commissioners.

2096. Under those circumstances should not the Office of Works have charged the full value of the land to the Commissioners; if the Commissioners enter into a building speculation they should buy any land they want from the Government at the full value, should they not?—We merely laid the question before the Treasury. The Commissioners maintained that they had given the land to us at practically half its value; and they asked us to let them have back this little bit at practically the same rate that they had been paid for it. We put the matter to the Treasury; and they decided that we should

APPROPRIATION ACCOUNTS—Class I.

Vote 14.—Science and Art Department Buildings,
Great Britain—*continued*.Chairman—*continued*.

let them have it at the same price per acre as that at which it was purchased by Her Majesty's Government.

2097. You originally purchased a large amount of land at 7,272*l.* per acre, which the Commissioners then represented was much less than half its then value?—Yes.

2098. How many acres was that?—I can hardly say; it includes the Natural History Museum ground, I think. I should think there must be 20 acres altogether.

2099. Then in this case they are buying back for 500*l.* what you have had valued at 2,400*l.*?—Yes.

2100. But on the other hand, as I understand from the letter marked A. on page 63, there was the condition attaching to this land, that it should be permanently used for purposes connected with science and art?—Yes, so long as it remained in the hands of the Government.

2101. Would that have prevented your obtaining such a price as 36,500*l.* per acre for it?—Yes, we should not have been able to sell it for private residences.

2102. But on its being re-transferred to the Commissioners that condition disappears?—Yes.

Mr. Wodehouse.

2103. Were the Treasury aware when they came to this decision that the land would be so used for a private dwelling-house?—I do not think that they were. (Mr. *Hamilton*.) I do not think that that affects the question. As long as it was in the hands of the Government, the Government held it under the condition that it was to be only used for educational purposes; and therefore they could not have sold it to an ordinary purchaser at the full market price.

2104. But the Commissioners having got possession of it could sell it to anybody they liked?—Yes.

On VOTE 23.

PUBLIC BUILDINGS, IRELAND.

General R. H. SANKEY, called in; and Examined.

Chairman.

2105. (To Mr. *Hamilton*.) I OBSERVE that a change has been made in the mode of bringing to account the expenditure on the Boyne Navigation; in future the receipts will be paid into the Exchequer as extra receipts, and provision for maintenance will be included in the Estimate; why was this change made?—In order that the charge might be annually met, and that it might be more in accordance with our usual practice.

2106. (To General *Sankey*.) I think that there

Chairman—*continued*.

is a considerable deficit on the Boyne Navigation every year?—There has always been.

2107. Under the new system will it be possible to show upon the account this deficit as clearly as it has been shown in the past?—In the past, as you will observe, it was only brought forward in a lump sum in this particular Vote; this is the accumulation of deficits since 1850, I think; in future it will go in as Treasury extra receipts year by year, whatever the receipt may be,

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[Continued.]

APPROPRIATION ACCOUNTS—Class I.

Vote 23.—Public Buildings, Ireland—*continued.**Chairman—continued.*

be, and will then be lumped up with a number of similar items, and will not appear in particular. For instance, on page 81, the amount of extra receipts is given in a lump sum, 7,456 £.; that is made up of a great number of receipts, and next year the receipts of the Boyne Navigation will appear lumped with a corresponding amount, so that it will not be seen in detail.

2108. That will have the effect of concealing the deficit?—Yes.

2109. Is there no plan which you can suggest that will bring to the notice of Parliament the fact that there is year after year this deficit?—Unless there be a sort of subsidiary statement giving the details of such extra receipts, I do not exactly see how it could be done.

2110. (To Mr. Hamilton.) What have you to say upon this point?—There is a slight misapprehension about this matter, I think. Hitherto it has not been shown on the Estimates at all; it has been kept out of the sight of Parliament altogether.

2111. It appears at last when it has accumulated to certain accounts, and has to be discharged?—It belongs to the non-voted services; now we propose to bring it under the annual view of Parliament, and to take a Vote for what it costs, and to carry whatever the receipt is to the Exchequer; it is really bringing a thing under the notice of Parliament, which has hitherto not been under their notice.

2112. (To Sir C. L. Ryan.) Have you anything to say with regard to this?—I think that the Estimates would not necessarily show the deficiency; the Estimates will provide for the expenses; the receipts will come in in a lump sum under the Exchequer Receipts, and unless some statement such as was proposed was made, I think Parliament will not know that they are really voting a subsidy to a non-paying concern.

Mr. Jackson.

2113. But has Parliament known that hitherto; has it been voted hitherto?—No. (General Sankey.) It is on the non-voted service.

Chairman.

2114. (To Sir C. L. Ryan.) On the face of the Estimates, the deficit will appear each year, because the extra receipts will appear opposite the Grant; will that meet your purpose?—I think that will practically meet the point.

CLASS II.—ON VOTE 39.

PUBLIC WORKS OFFICE, IRELAND.

Chairman.

2115. (To General Sankey.) There seems to be still a balance unpaid upon the River Barrow Drainage?—Yes, there is a balance, I think, of 150 £. That was a portion of the obligation that was entered into by certain landholders to meet share and share with the Treasury the expense of

APPROPRIATION ACCOUNTS—Class II.

Vote 39.—Public Works Office, Ireland—*continued.**Chairman—continued.*

getting up surveys and valuations for the River Barrow Scheme. The Treasury gave authority to carry on the surveys and valuations in anticipation, and the landlords who promoted this paid 600 £. out of that 750 £., which was their share, but they were unable to collect the balance of 150 £.

2116. I see that your Board say that “they have no means of recovering the amount;” is it a bad debt?—Since then the Government have interested themselves so directly in the whole of the Barrow Scheme, that probably the promoters considered it rather outside of their duty to go on any further with it; that is the only explanation I can give. It has become a much more public matter since they started this inquiry, and I presume they thought themselves more or less relieved from the necessity of going on with this matter out of their own pockets, and so they have left us with this deficit, and we have got no legal remedy. It was merely a promise at the time that they would pay this amount, and there is no legal means of recovering it.

Mr. Barran.

2117. Was this contract entered into between the Government and private parties without any legal document?—There was no legal document; there was a mere agreement on the part of the promoters that they would pay this amount. They were very anxious to push on with the inquiry, and on recommendations that we made to the Treasury about the matter in forwarding their application, the Treasury gave authority to go on in anticipation before the remaining portion (that is the 150 £.) was paid. Of course, it was understood that they would pay this amount at the time. As I mentioned, the matter subsequently assumed a much more public form; and there has been one Royal Commission, and another subsequently, which engaged itself on the same matter; and, therefore, I presume the promoters thought themselves more or less relieved from the obligation.

2118. If the Government had to pay for it they thought that it was not necessary for them to contribute anything; was that their idea?—I think that was the feeling; they thought themselves more or less relieved after the Government took it up.

Mr. Jackson.

2119. Mr. Barran put it that if the Government would pay, they did not feel themselves called upon to contribute anything, but as I understand this was the balance outstanding of the sum promised by them, that is to say, they had paid a portion, had they not?—Yes; they paid 600 £. out of 750 £.

2120. What was the total?—The estimate for the survey and the valuation was 1,400 £., of which they guaranteed to pay 750 £., and they actually paid 600 £., and on doing so they asked that

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[Continued.]

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Vote 39.—Public Works Office, Ireland—
*continued.**Mr. Jackson—continued.*

that the surveys might be pushed on, as the season was escaping. The Treasury, on their representation, gave us permission to go on, and, as I mentioned, subsequently to that having been made the subject of a Royal Commission, and I fancy that the promoters thought themselves more or less relieved.

Mr. Barran.

2121. That is to say, that when they found they could get it without paying, they were not disposed to pay?—Yes.

Mr. Wodehouse.

2122. Have they been pressed again to pay?—Yes; we have done our best to induce them to pay, but we cannot get the money.

Sir Walter Barttelot.

2123. Surely, when you made that agreement, in the first instance, you had some document in writing showing that they were bound to pay half, otherwise you would not have proceeded, I presume, with the work?—We had very strong guarantees on their part that they would pay.

2124. If that is so, the guarantee still holds good that the 180*l.* will be paid now, does it not?—We do our best; we keep on informing them that this sum is now due; we have never neglected doing that; we have constantly claimed it, but it seems hopeless to expect it now.

Mr. Barran.

2125. Is there no legal obligation requiring them to pay; was there no legal document signed?—There was no legal document signed; it was a promise; the promoters simply engaged to do it; it was a general engagement.

Chairman.

2126. (To Mr. Hamilton.) I observe this paragraph in the Treasury Minute of the 10th of January last, which you have handed in, dealing with the Report of the Public Accounts Committee of last year: "In the evidence before the Committee (Questions 298 to 305) the question was raised whether there had been a breach of faith on the part of the proprietors interested in the River Barrow drainage, as seemed to be implied in the letter quoted by the Comptroller and Auditor General in his Report on this Account. On referring to the complete correspondence, my Lords find that there was no pledge given which would bind the local proprietors to pay the balance referred to." You were satisfied, I understand, that you could not enforce the payment?—We were satisfied that we could not enforce the payment.

2127. (To General Sankey.) With regard to the expenditure on Kinsale Harbour, I see that in 1887 there was need for an additional loan of 3,000*l.*, and the Treasury wrote a letter ex-
0.60.

APPROPRIATION ACCOUNTS—Class II.

Vote 39.—Public Works Office, Ireland—
*continued.**Chairman—continued.*

pressing dissatisfaction as to the circumstances under which it was required, and making very severe remarks on the engineer's estimate; how came it that the cheque for 3,000*l.* sent by the Board of Works to the Harbour Commissioners was returned?—I think the word "cheque" there is rather misleading. It was an intimation from the Board of Works that the Harbour Commissioners were charged with 3,000*l.* which had been expended, and which they had undertaken to meet, and which they ought to have acknowledged. Instead of acknowledging it they disputed the debit, and placed themselves in opposition to the Board on the subject. They said they would not acknowledge any expenditure until the whole work was completed, and the whole account made out in detail. They furnished us with 3,000*l.* to commence with. We were able under the Act to give a free grant of 7,500*l.*, and, in addition, a loan of an equivalent amount of 7,500*l.*, making altogether 18,000*l.* A further sum being, however, required to complete work very nearly amounting to 3,000*l.*, we informed them that they would be debited with this amount as part of the general loan, in addition to the 7,500*l.*, which we are empowered under the Kinsale Harbour Act to do, and they then said they would not acknowledge this 3,000*l.*, which is the sum in question.

Mr. Jackson.

2128. Had the money been spent?—Yes; the work is finished, and it is only two days ago that I vested it in the Kinsale Harbour Commissioners.

2129. Was the work done by the Harbour Commissioners?—The work was executed by us under the Act.

2130. Did they return this letter, or cheque, or communication, or whatever you call it?—I do not think there was any return; it is simply a refusal to acknowledge the debit. (Sir C. L. Ryan.) It was an outstanding order that was cancelled in the account. The Committee will understand that an order to pay would be considered as equivalent to a cheque; though perhaps the word "cheque" was not the right technical word to use. It was an order for payment which was not presented for payment, and which, after a certain time, according to the ordinary rules was cancelled, and it appeared in the accounts as a cancelled order.

Chairman.

2131. (To General Sankey.) In what position then is this additional amount of nearly 3,000*l.* which has been spent now?—They are now charged fully with this balance. We have been only quite lately able to complete the accounts, in consequence of a tedious law proceeding, and it was only on the 28th of March that these legal proceedings came to an end. As I mentioned just now, only two days ago I was able to vest the work under the Act in the
K Harbour

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[Continued.]

APPROPRIATION ACCOUNTS—Class II.

Vote 39.—Public Works Office, Ireland—
*continued.**Chairman—continued.*

Harbour Commissioners. Now they are fully charged, and the rates of course have to meet the interest upon the consolidated loan of the several amounts of 7,500 *l.* and 2,592 *l.*

2132. The fact of their not having cashed this order for payment of 3,000 *l.* has rendered them no less chargeable with the 2,500 *l.*?—No doubt the Comptroller and Auditor General is quite correct in saying that it was an order for payment, but the effect of it was simply that there was a debit made in our accounts making this part and parcel of the combined loan.

2133. And they are now charged with the additional loan of 2,592 *l.*?—Yes; I think there must be something more which is not quite shown here. (Sir C. L. Ryan.) According to my latest information, the total expenditure is 21,164 *l.* 16 *s.* 6 *d.*, and the total provision is 21,000 *l.*; that would leave 164 *l.* 16 *s.* 6 *d.* Towards that there has been a further repayment of 93 *l.* of the sum on accounts, leaving a balance which stands charged to the Board of Works of 70 *l.* That is my information according to the last statement of accounts rendered to us.

Mr. Jackson.

2134. To Sir C. L. Ryan.) That is to say, there has been an expenditure of 70 *l.* by the Board of Works not charged in the final appropriation after vesting the work to the work itself?—So far as we know. (General Sankey.) It is charged in the final appropriation now. They knew we could not vest until the last farthing had been charged to the account, and until then they could keep us at arms' length.

2135. You say it is all cleared up now?—Yes, by our having vested the work; they have no legal means of evading it now.

2136. In fact, they resisted the vesting, you say?—Yes, as much as they could.

2137. Are they paying the interest?—They will have to pay interest now; we will take care of that.

Chairman.

2138. It appears that the sum of 89 *l.* 12 *s.* 6 *d.* for the payment of head rent to Lord Ranfurly has not been recovered, and is an addition to the amount originally advanced on loan under the Labourers' Dwellings in Towns Act, to a Mr. Harding; how does that matter stand now?—By the late returns to the Treasury the loan had to be written off as a bad debt.

2139. And in addition to that, the Board of Works, as holders of the land, are liable for the head rent of 38 *l.* 11 *s.* per annum?—I think at the time we got the Treasury sanction the amount that had to be written off, in addition to the loss of the loan (which was 390 *l.*) in respect of head and rent and other charges, amounted to 92 *l.* odd, the Treasury gave us authority to pay that out of our Vote. It was a bad debt. It was one of those unfortunate cases where the whole industry for which the cottages were built broke down; although every inquiry was

APPROPRIATION ACCOUNTS—Class II.

Vote 39.—Public Works Office, Ireland—
*continued.**Chairman—continued.*

made to ensure that it was a good loan, and the cottages remained so useless that Lord Ranfurly would not take them over himself.

2140. In addition to the bad debt, there is another liability of 38 *l.* 11 *s.* per annum, is there not?—That is closed now. We have handed over the property to Lord Ranfurly; we stepped in and redeemed by the payment of 92 *l.* head rent, hoping that we would get a purchaser; and finding, after a considerable time, that there was no means of disposing of the property we represented the whole case to the Treasury, who authorised our paying the balance of rent up to the date, and handing the property back to Lord Ranfurly.

2141. Has this bad debt been written off?—This bad debt has been written off in that sense that we have charged our Vote with 92 *l.*

Sir Walter Barttelot.

2142. As I understand, you handed over not only the property which paid, or ought to have paid, head rent, but you handed over the buildings upon it?—The buildings being unproductive were handed over to Lord Ranfurly. Mr. Harding put, I think, 400 *l.* himself into the business; he was quite straightforward about it, but the whole industry broke down; there were no further occupants for these artificers' buildings, for which the loan was made.

2143. The buildings are in absolute ruin, are they?—No; but useless to the board.

STORE ACCOUNTS.

Chairman.

2144. (To General Sankey.) The Comptroller and Auditor General finds, on some of his officers making inquiry, that it is not the practice of the Board of Works to take stock periodically, and that the record of the receipt and issue of stores was kept in day-book form only, not enabling the Department, therefore, to strike a balance between the receipts and issues of particular articles, and ascertain by stock-taking that such balances were actually in store. Has a new system been adopted since the visit of those officers?—Yes; we have classified the stores as far as possible. The Kingstown stores are, in reality, of only very small extent. We have classified as far as we can the major stores, and given certain headings which we hope to be able to keep, showing the receipts and issues; but the list of stores is mostly made up of such small items, and also old materials and all that sort of thing, that it would be very difficult to count in any full manner the small stores of all kinds.

2145. (To Sir C. L. Ryan.) You are disposed, I presume, to give the new system a trial?—I would rather wait and look at the new system before expressing any further opinion.

[General Sankey withdrew.]

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[Continued.]

APPROPRIATION ACCOUNTS.

CLASS I.—On VOTE 26.

LIGHTHOUSES ABROAD.

Mr. ALLEN STONEHAM, called in; and Examined.

Chairman.

2146. A SUM of 106 l. 2 s. 2 d. appears as having been received for oil, &c., supplied to the Government of the Bahamas for the use of certain lighthouses; it appears also that the sum recovered is in excess of the amount of the charges borne by this Vote in respect of the stores supplied. This apparently is not quite fair upon the Government of Bahamas; can you explain this point?—The rate at which the charge was made was settled so long ago as 1874, and I think I may say inadvertently the matter has not been considered since, but in the interval the price of oil has fallen somewhat, and in consequence there is a profit made which is rather an unusual circumstance on the part of a Government Department.

Chairman—continued.

2147. So that, in fact, I suppose, the Government of the Bahamas contribute to the cost of the Imperial Lighthouse service to that extent?—It hardly amounts to that. I think the Comptroller and Auditor General has rather undervalued the amount of the charges. An estimate has since been made, and the cost of the whole of this service would be about 80 l.; consequently there is a profit of about 26 l. The whole matter is being reconsidered, and by next year I have no doubt a different arrangement will be made.

2148. (To Sir C. L. Ryan.) Have you received the Store Accounts on that Vote now?—Yes, I have received them since this Report was written.

CLASS II.

On VOTE 8 (1884-85).

PRIVY SEAL OFFICE (1884-85).

Chairman.

2149. (To Mr. Hamilton.) I see that Mr. Daseant, on behalf of Lord Carlingford, has been able to go into the outstanding question of a claim of 123 l. 4 s. 3 d. which has come before this Committee during two or three years. I think it appears that the Treasury now feel bound to take the responsibility for that payment on themselves, admitting that Lord Carlingford might reasonably have taken the Treasury letter of the 10th of November 1885 to constitute a covering sanc-

Chairman—continued.

tion to the payment which he made, and which was disallowed by the Public Accounts Committee in their Report of 1886?—Yes, that is the case; the Treasury have stated their views in their Minute of the 10th January last, and I do not think I have anything to add to that Minute.

2150. A full explanation appears in the letter on page 17 of that Treasury Minute?—Yes; the correspondence is appended to the Minute.

On VOTE 8.

BOARD OF TRADE.

Chairman.

2151. (To Mr. Stoneham.) It appears that there has been expenditure in excess of the Estimate under four Sub-Heads of this Vote, and the only explanation of the excess of 896 l. on Sub-Head B. is the word "under-estimated;" can you give any further explanation to the Committee upon that point?—Only this, that the work of the Department had increased during the year, and it was necessary to employ an additional number of copyists.

0.80.

Chairman—continued.

2152. (To Sir C. L. Ryan.) Does that explanation satisfy you?—I think the explanation might have been given more fully. The mere word "under-estimated" was not an explanation; it was a mere statement of fact, and I think that something more might have been added. (Mr. Stoneham.) We should have been very delighted to have added more had it been pointed out to us that the explanation was insufficient.

2153. (To Mr. Stoneham.) The Comptroller and

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Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B.,
Mr. PRIMROSE, C.S.I., and Mr. ALLEN STONEHAM.

[Continued.]

APPROPRIATION ACCOUNTS—Class II.

Vote 8.—Board of Trade—continued.

Chairman—continued.

and Auditor General calls attention to some irregular payments to an officer promoted from the post of a lower division clerk to that of clerk in charge of the Board of Trade Journal; was it owing to misapprehension as to the regulations that his certificate was not obtained earlier?—It was entirely owing to misapprehension. The situation was not of such a nature as to entitle the appointee to a rank as belonging to the upper division, and it was consequently supposed that no further certificates would be requisite, as the gentleman who was appointed already held a certificate as a lower division clerk. As soon as the point was raised by the Comptroller and Auditor General the Civil Service Commissioners were consulted, and a certificate was obtained.

2154. (To Mr. *Hamilton*.) On Sub-Head "I," has the Treasury sanction been given to over-payments amounting to 2 l. 4 s. 3 d., in consequence of the payment having been made at the wrong rate of exchange?—Yes, that has been sanctioned by the Treasury.

2155. (To Sir C. L. *Ryan*.) Do you think the balance under those circumstances may stand as it is in the account, instead of being altered in the way that you suggest?—Yes, I think that it should stand.

On VOTE 9.

BANKRUPTCY DEPARTMENT OF THE BOARD OF TRADE.

Chairman.

2156. (To Mr. *Hamilton*.) Has the Treasury sanction been given for the excess under Sub-Head "A" of this Vote?—Yes; the Treasury sanction was given on the 12th December last. (Sir C. L. *Ryan*.) It has not been furnished to me.

2157. (To Mr. *Stoneham*.) Ought not that sanction to have been furnished to the Comptroller and Auditor General?—The only letter which has been received from the Treasury has been sent to the Comptroller and Auditor General, but it was a letter, as I understand, that authorised the deficiencies being paid out of savings on other Sub-Heads of the Vote. (Mr. *Hamilton*.) The letter was not sent to the Audit Office by us; we should naturally send it to the Department, and it would be the Department who would send it to the Audit Office. (Mr. *Stoneham*.) Quite so. If the letter has not been sent the responsibility rests with the Board of Trade. My impression is that the letter of the 12th of December has been sent, but I do not know whether that letter satisfies the Comptroller and Auditor General.

2158. (To Sir C. L. *Ryan*.) Do I understand that that sanction has not been furnished to you?

APPROPRIATION ACCOUNTS—Class II.

Vote 8.—Bankruptcy Department of the Board of Trade—continued.

Chairman—continued.

—The specific sanction for the specific excesses I do not think has been furnished. That, at least, is my last information, but it is possible that I may have been misinformed. (Mr. *Hamilton*.) It is in the general Minute with regard to excesses that the sanction is given. (Sir C. L. *Ryan*.) That does not apply to this point specifically; however, it is merely a question of Treasury sanction, and if Treasury sanction has been furnished that is sufficient.

2159. (To Mr. *Hamilton*.) Has any conclusion yet been arrived at on the point with respect to extra receipts to which the Comptroller and Auditor General calls attention?—Yes; there was a Treasury Minute of the 30th January 1888, which dealt with the question. I think it was an omission on the part of the Treasury not to communicate that Minute to the Comptroller and Auditor General. It laid down the principle upon which we are to recover from the Bankruptcy Department certain charges, not only those confined to the Board of Trade, but charges connected with bankruptcy from other Departments.

2160. I understand you will furnish that Minute to the Comptroller and Auditor General?—We shall be happy to furnish a copy of it to the Comptroller and Auditor General.

On VOTE 12.

EXCHEQUER AND AUDIT DEPARTMENT.

Chairman.

2161. (To Sir C. L. *Ryan*.) You suggest, with respect to a question that has been more than once before the Public Accounts Committee as to the mode in which the accounts of your own office should be audited, that one of the House of Commons clerks should, on the nomination of the Speaker, be associated with you for the purpose of examining this Account; is that so?—That was the suggestion I made to the Treasury, and it seemed to me to be a reasonable way of associating somebody with myself. Under the Act the responsibility must rest with me; no one can certify that Account except myself, but inasmuch as I may be supposed to have some interest in its administration I am quite willing that some other person should practically examine it, and look through it and see that there are no payments in it of an improper character.

2162. What you are anxious to secure, as I understand, is that whoever does it should do it at the request and on the behalf of the House of Commons?—It was my view that it would be better that it should be so done.

2163. I suppose it could scarcely be expected that one of the House of Commons clerks should undertake that work without a fee?—I think that almost

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Mr. PRIMROSE, C.S.I., and Mr. ALLEN STONEHAM.

[Continued.]

APPROPRIATION ACCOUNTS—Class II.

Vote 12.—Exchequer and Audit Department
—continued.

Chairman—continued.

almost anybody who has to do this work, which is not work properly belonging to him, might expect to receive something for doing it.

2164. (To Mr. Hamilton.) Have you any suggestion to make upon this point?—I have nothing to suggest beyond what is in the Treasury Minute. We thought that the Treasury officers of account were the natural people to do it, and, of course, no objection could arise in that case upon the ground of expense. That is the suggestion made in the Minute written subsequently to the letter from the Exchequer and Audit Department of the 22nd October 1888, which the Comptroller and Auditor General appends to his Report. It was only a suggestion on our part, and it seems to me to be the most natural way of dealing with the point.

Chairman.] Perhaps it would be better for the Committee to consider how that matter can be best arranged.

On VOTE 14.

LAND COMMISSIONERS FOR ENGLAND.

Chairman.

2165. (To Mr. Hamilton.) The Comptroller and Auditor General raises a question with regard to the new system of Appropriations in Aid; are you satisfied that the present arrangement is legal?—I cannot say that I am wholly satisfied upon that point; I think that the requirements of the law may be said to be sufficiently met by treating it in this way, but perhaps, according to the strict interpretation of the Act, we are going rather beyond it.

2166. Do you think that the system of Appropriations in Aid is practically so nearly the same thing as carrying the expenses in question to the Exchequer that no question is likely to arise?—I think it is open to anybody to take the legal point; and it has occurred to us more than once that we should introduce a clause into some Bill to make it quite clear that, if an Act of Parliament requires a sum to be paid into the Exchequer, the Act should be held to be complied with if the sum is treated as an Appropriation in Aid.

2167. Does the Treasury then propose to ask Parliament to legislate upon that point?—I think we shall endeavour to put a clause into some Omnibus Bill which would satisfy the Comptroller and Auditor General upon the point.

2168. (To Sir C. L. Ryan.) Has a complete return on the Advance Accounts other than the expenditure under the Extraordinary Tithe Redemption Act been furnished to you?—Yes; I have here a return which shows the total amount outstanding at 10,759*l.* Perhaps the 0.60.

APPROPRIATION ACCOUNTS—Class II.

Vote 14.—Land Commissioners for England—
continued.

Chairman—continued.

Committee would like to have that return; it is as follows:

"An Account of the Amounts due to the Land Commissioners by private Persons in respect of Advances made out of Votes of Parliament for Works of Inclosure and Drainage, Land Improvement, and Extraordinary Tithe Rent-charge, &c., up to and including the Year 1887–88.

Service.	Aggregate Amount due in respect of all Advances up to and including 1886–87.	Amount due in respect of Advances for 1887–88.	TOTAL.
	£. s. d.	£. s. d.	£. s. d.
Inclosure Works - - -	1,061 19 1	318 16 2	1,380 15 3
Drainage Works - - -	1,418 13 7	899 17 8	2,315 11 3
Land Improvement Works - -			
Extraordinary Tithe Redemption Act.	1,040 11 -	6,022 3 4	7,062 14 4
£.	3,518 3 8	7,340 17 2	10,759 - 10

* £. 894. 7 s. 9 d. included in this amount was incurred between the years 1847 and 1862, and is not likely to be recovered; the Lords Commissioners of Her Majesty's Treasury will be applied to for permission to write this off.

The Land Office, 8 March 1889.

(signed) A. H. Tattershall."

Mr. Jackson.

2169. Up to what date is that?—It is the last furnished to me.

2170. Is that up to the 31st of March?—I think so; I think it is a matter which should be inquired into.

Vote 15 postponed.

On VOTE 17.

THE MINT, INCLUDING COINAGE.

Chairman.

2171. (To Mr. Hamilton.) The Comptroller and Auditor General calls attention to the fact that whilst the cost of medal bullion is defrayed by the War Office and the Admiralty, the expense of striking and mounting the medals is borne upon the Mint Vote; will you explain why this is done?—It has been the practice always for the War Office and the Admiralty, when they want medals struck, to provide the metals themselves at their own cost, and then the Mint pay the expenses of striking the medals. The expenses of striking the medals is a natural charge to fall upon the Mint Vote. The Committee might like to know what the amount was. In the War Office Votes the charge for the bullion was 541*l.*, and the charge for striking the medal was 158*l.* The charge upon the Navy Votes for the bullion was 100*l.*, and the charge upon the Mint Vote for striking the medals was 41*l.*

2172. It is rather more than a fourth in the one case and more than a fifth in the other?—Yes.

2173. (To Sir C. L. Ryan.) Does it seem to you important that this cost should be borne upon the War Office and Admiralty Votes?—I do not attach any particular importance to it, but it seemed rather anomalous that the cost should be divided between the two Votes, and I thought it better to call attention to the fact.

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Mr. PRIMROSE, C.S.I., and Mr. ALLEN STONEHAM.

[Continued.]

APPROPRIATION ACCOUNTS.—CLASS II.

ON VOTE 19.

PATENT OFFICE, &c.

Mr. H. READER LACK, called in; and Examined.

Chairman.

2174. (To Mr. Hamilton.) HAS the Treasury sanction been given for the expenditure in excess of the sum estimated under Sub-Head A. in the cases of copyists and sorters, temporary messengers, and charwomen?—No specific sanction has been given, but it is possible that the Patent Office may have considered that covering sanction was given in the general Minute as regards excesses of the Votes under the Board of Trade. Perhaps Mr. Lack may be able to explain the matter further, but I do not think that any specific sanction has been given

2175. (To Mr. Lack.) Do you hold that you have received Treasury sanction?—Mr. Stoneham has charge of the finance accounts of the office, and perhaps the question should be put to him.

2176. (To Mr. Stoneham.) Can you answer the question?—I am not able to answer the question at the moment.

2177. (To Mr. Hamilton.) At all events sanction is necessary, and when the sanction is given it should be communicated to the Comptroller and Auditor General, should it not?—Yes, by the Department.

2178. Under this head are included wages for four sorters appointed to the Manchester Branch of the Trade Marks Registry without Civil Service certificates; the Comptroller and Auditor General has addressed a letter to the Treasury, inquiring whether in sanctioning the additional appointments referred to the Treasury, did so "upon the understanding that the old weekly allowance of 9 l. was still in operation, and that the sorters by being paid out of it should thereby avoid the necessity for obtaining Civil Service certificates;" as no answer has been returned to the Comptroller and Auditor General, perhaps you can furnish the answer now?—I believe it may be said that it is practically settled by subsequent changes. In future these sorters are to be the personal *employés* of the head of the registry, and, as such, there would be no necessity for their obtaining Civil Service certificates; there would be so much provided for in the Estimates for the payment of these men, and the distribution would be left to the Department. (Mr. Lack.) They are shown separately in the Estimates this year.

Mr. Jackson.

2179. (To Mr. Lack.) Is this following the inquiry that has been held into the office?—No; Mr. Fry, the head of the Manchester Branch, had an allowance for temporary sorters of 9 l. a week up to the 12th of November 1888, when the Treasury re-arranged the sum at his disposal.

Chairman.

2180. The employment in the past was not regular, I understand?—Yes, the 9 l. a week was included in the sum taken every year for copyists and sorters, but it was not shown separately; the copyists and sorters were grouped together in the Estimates.

2181. (To Sir C. L. Ryan.) Have you anything to say with regard to this point?—I think when I get some answer, which I presume I shall get to the letter, that I shall be able to deal with the question; I hardly understand now how it stands.

2182. (To Mr. Lack.) The Comptroller and Auditor General has asked to be informed as to the nature of the check adopted for insuring that stamps to the full value of the money received for copies of documents made in the Patent Office are in all cases affixed to the copies and cancelled; can you explain that matter?—The explanation is already given in the letter marked "C.," which is printed below that letter from the Exchequer and Audit Department.

2183. I see that letter, but it does not appear there whether the stamps are affixed and cancelled by the same person?—The documents are made out in one room, and the stamps are affixed by the principal clerk in the front office and cancelled.

2184. So that there is the check of the principal clerk?—Yes; you rely entirely upon the principal clerk.

Mr. Jackson.

2185. I understand that the Chairman's question was whether the stamp was affixed and cancelled by the same individual?—Yes, by the principal clerk.

Chairman.

2186. He affixes the stamp and cancels it?—Yes.

2187. (To Sir C. L. Ryan.) Is that what you would regard as an efficient check?—I think it would be better if the stamp was not obtained from the same person who cancels it. (Mr. Lack.) The only other way would be to make the public buy stamps outside the office; but I may point out that these fees are very small; this only relates to office copies.

Mr. Barran.

2188. Could not you make the public buy the stamps in one office in the Department, and then take the stamps to another office in the Department?—That could be done if it were thought better. The financial clerk could take the money and issue the order to the principal clerk in the front office if it were thought desirable. You would

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Mr. PRIMROSE, C.S.I., Mr. ALLEN STONEHAM, and Mr. LACK.

[Continued.]

APPROPRIATION ACCOUNTS—Class II.

Vote 19.—Patent Office, &c.—*continued*.

Mr. Barran—continued.

would have a sort of check if the financial clerk received the money and issued the stamps, which would be cancelled by the principal clerk in the front office; he might keep a check if it were thought necessary.

2189. (To Mr. Hamilton.) Has the Treasury looked into this point?—They have not looked into this particular point.

2190. Perhaps the Treasury will look into this point with a view of securing an efficient check,

APPROPRIATION ACCOUNTS—Class II.

Vote 19.—Patent Office, &c.—*continued*.

Mr. Barran—continued.

the importance of which the Comptroller and Auditor General has pointed out?—Certainly. (Mr. Lack.) I may say that the present arrangement was adopted under the direction or sanction of the Treasury Officers of Account some few years ago.

Vote 19 postponed.

[The Witness withdrew.]

Wednesday, 19th June 1889.

MEMBERS PRESENT :

Mr. Barran.
Sir Walter Barttelot.
Mr. Jackson.
Sir Ughtred Kay-Shuttleworth.

Mr. Arthur O'Connor.
Mr. Salt.
Sir Richard Temple.
Mr. Wodehouse.

SIR UGHTRED KAY-SHUTTLEWORTH, BART., IN THE CHAIR.

CIVIL SERVICE APPROPRIATION ACCOUNTS, 1887-88.

MR. EDWARD W. HAMILTON, C.B., and SIR CHARLES LISTER RYAN, K.C.B., re-called ;
and further Examined.

CLASS II.

SALARIES AND EXPENSES OF CIVIL DEPARTMENTS.

On VOTE 15.

LOCAL GOVERNMENT BOARD.

Sir HUGH OWEN, K.C.B., called in ; and Examined.

Chairman.

2191. THE Comptroller and Auditor General calls attention to the excessive travelling expenses charged for certain inspectors, district auditors, and others, and there are certain explanations given ; are any changes contemplated in the arrangements, such as are suggested by the Comptroller and Auditor General ?—As regards the Report itself, it will be observed that there are eight classes of items, in respect of which it is alleged that a greater expense was incurred than was necessary. With respect to the first class of cases, which has reference to some six or seven officers who are not actually residing in their districts, I should say that those arrangements were made some years ago, and that for a long period past, in every case of a new appointment, a distinct understanding has been arrived at with the officer that he should reside at such place within his district as might be approved by the Board. With regard to the cases specially referred to, after communication with the Treasury, it was considered that it was not necessary to disturb them. In the case of new appointments, in some cases, a similar arrangement would, in all probability, have to be made. Taking, for instance, the case of an inspector, who has part of Essex and Suffolk and Norfolk, it is much more convenient he should reside in London in consequence of the difficulty in going across country from the two main lines running

Chairman—continued.

out of London. Take the case of another officer, who takes part of Surrey and Kent ; in his case also it is more convenient that he should reside in London. But, subject to those exceptional cases, the practice which has been pursued for some years past will be adopted in future of making it a condition of the appointment that the officer shall reside where the Board may determine.

Mr. Salt.

2192. What class of officers are you specially alluding to ?—They are the cases of auditors and general inspectors.

2193. The new rule, as I understand you, would apply universally, by degrees ?—It is the rule that has been applied for the last six or seven years, and the cases that have been referred to are cases of appointments made prior to that time.

Chairman.

2194. With respect to the second class of cases, of " Officers residing at inconvenient centres, although within the bounds of their district," what have you to say ?—In every case the rule now is not merely that the officer is required to reside within his district in the case of every new appointment, but the Board have to approve the particular place in which he is to reside.

2195. Can

19 June 1889.]

Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., and
Sir H. OWEN, K.C.B.

[Continued.]

APPROPRIATION ACCOUNTS—Class II.

Vote 15.—Local Government Board—*continued.**Chairman—continued.*

2195. Can there be any changes made with respect to officers appointed before that date?—There are only three cases to which the Comptroller and Auditor General has drawn attention; and in respect of each of them there are reasons why no change should be made.

2196. Perhaps you will deal in your own way with the remaining six categories mentioned in the Comptroller and Auditor General's Report?—Taking No. 3, which refers to "Officers when away from home making a temporary centre, and charging the cost of travelling to and from their work each day, instead of making use of the nearest available accommodation," it is under that head that we have had by far the largest number of queries. The arrangement that has been made in a considerable number of cases by the auditors is this, they select a centre where they take up their residence, whilst holdings audits in the neighbourhood, and there they have their books and papers, and after their audit-journey are able to do a good deal of work in the evenings, work which they cannot do if they have to stay at an hotel in the town where the audit is held, and where they have no private room. But the point having been pressed by the Comptroller and Auditor General, the Board have accepted his view, and have given instructions to the auditors, that in every case where there is suitable hotel accommodation in the town where the audit is held the auditor should stay there instead of returning to a centre. What was stated in reply to the query of the Comptroller and Auditor General, was this: "The duties which devolve on the district auditors are so laborious, that after the actual audit work of the day is ended, it is very usual for them at night to be engaged on the preparation of reports and other work incidental to the audit. Many audits are held at places at so great a distance from the residence of the auditor, that he cannot return home each day, and in the case of these audits, the work referred to can usually be more conveniently undertaken by the auditor when he stays at some central place at which his books and papers can be kept and be ready at hand. This may be the case even when hotel accommodation can be obtained in the town at which the audit is held, and an alteration of the arrangement of working certain audits from a centre may have the effect of prolonging the time of absence from home, and thus entail a greater expense than that of travelling to and from the centre. The Board, however, infer from the queries of the Comptroller and Auditor General, that this arrangement is considered open to objection, and they have therefore intimated to the auditor that where there is suitable hotel accommodation in the towns where the audit is held they should avail themselves of it. As regards Class No. 4, "Officers and their clerks living in different places," we have had attention drawn to four cases. The explanations generally were, according

0.60.

APPROPRIATION ACCOUNTS—Class II.

Vote 15.—Local Government Board—*continued.**Chairman—continued.*

to our view, satisfactory; but in one case we have required the clerk to change his place of residence. I should say that the clerks to the auditors are not appointed by the Board, but they are employed by the auditors themselves.

2197. The other four points are minor points; but have they all received attention from your Board?—Yes. As regards every inspector and auditor, the Board have forwarded to the officer a copy of the Report of the Comptroller and Auditor General, drawing attention specially to the several points.

2198. Are you, on the whole, of opinion that the Comptroller and Auditor General's remark as regards the large amount of the total expenditure for travelling is justified?—That the amount is considerable, is no doubt the case; because there is a very large staff of inspectors and auditors; but I do not anticipate any very material alteration in the total charge, by reason of the matters to which attention has been drawn.

2199. You do not think that the considerable expenditure can be much reduced?—No; I do not anticipate any very considerable reduction, certainly.

2200. (To Sir C. L. Ryan.) Have you any remarks to make upon the evidence which Sir Hugh Owen has just given us?—The only remark I wish to make is that in this matter, which is one which must be mainly dealt with by administration, and in which audit comes in only incidentally, the points have been extremely fairly met by the Local Government Board; they have taken up our questions very thoroughly, and I should be very much surprised, from the information I have received, if the last statement of Sir Hugh Owen is borne out. I think the change will produce very considerable economy. There has been a reduction in the total expenditure of something like 1,000 £; and I cannot help thinking that the action of the Local Government Board will have more effect than Sir Hugh Owen seems to anticipate.

Sir Walter Barttelot.

2201. (To Sir Hugh Owen.) I should like to ask whether all these sorts of things in all these great departments do not require carefully looking into from time to time, and whether if they are not carefully looked into these extra expenses increase, and increase very rapidly?—The reply I should have to make to that is this; we have our monthly accounts from the different officers; of course they contain a very large number of items which it is very difficult to check; and an item which, when an officer is called upon to explain it by reason of a query of the Comptroller and Auditor General, he is unable to explain satisfactorily, may be an item that there is nothing whatever upon the face of the account to call for inquiries by the Board. As regards a certain number of inquiries made in

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connection

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Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., and
Sir H. OWEN, K.C.B.[*Continued.*

APPROPRIATION ACCOUNTS—Class II.

Vote 15.—Local Government Board—*continued.*Sir Walter Barttelot—*continued.*

connection with these queries, I have to admit that I do not think that the officers have given satisfactory explanations; but as regards the others the answers are perfectly satisfactory. The queries are in the nature of test queries. Taking, for instance, a charge by an auditor for travelling to and from a certain place in connection with his audit. There are a number of considerations to be borne in mind in determining whether he should have travelled by railway instead of posting; there is the question as to the distance of the station from the workhouse, and the time he has fixed for beginning his audit. It is not enough merely to look at the time table and see at what time he can get to the station; we do not know the number of changes of trains that frequently take place; an auditor tells us sometimes, for instance, that he has to make three or four changes in the course of a short journey of 15 or 20 miles, and unless the trains work in well he would not be able to keep his appointment. There are such a number of charges of that kind that it is extremely difficult, however full the detail may be, to find out particular cases in which it is right to call upon the officers for explanation; but at the same time whenever there is anything that attracts attention it is the practice to call for an explanation.

APPROPRIATION ACCOUNTS—Class II.

Vote 15.—Local Government Board—*continued.*Sir Walter Barttelot—*continued.*

2202. Do you admit that Sir Charles Ryan is accurate in his statement that 1,000 *l.* had been saved on this account?—No; I should not be prepared to admit that. I do not know how the amount is arrived at.

2203. That would be a considerable sum, would it not, on items of that kind?—Clearly; and I should say at once that it is impossible to say that 1,000 *l.* has been saved as the result of these queries; I do not think that Sir Charles Ryan himself would go so far as to say that. He may say that there has been a reduction in the total expenditure under that head of 1,000 *l.*, but that is all. The journeys are not the same in different years. I should not in the slightest degree admit that 1,000 *l.* could be saved as the result of the queries. (Sir C. L. Ryan.) I only speak generally of the statement of account as furnished to me.

Mr. Salt.

2204. Can you tell us how the hotel accommodation is charged; are the accounts sent in, or is there a fixed allowance?—There is a fixed allowance of one guinea or one pound a day for personal expenses in the case of the auditors and inspectors.

[The Witness withdrew.]

On VOTE 19.

PATENT OFFICE, &c.

Mr. ALLEN STONEHAM, re-called; and further Examined.

Chairman.

2205. (To Mr. Stoneham.) I ASKED on the last occasion on which the Committee met whether it was held that the Treasury sanction had been given for the excess in the expenditure on copyists and sorters, temporary messengers, and charwomen; has that authority been given?—It has been given.

Chairman—*continued.*

2206. Has it been forwarded to the Comptroller and Auditor General?—Yes; I feel confident it has been sent to the Comptroller and Auditor General.

Vote 24 postponed.

On VOTE 25.

OFFICE OF WOODS, FORESTS, AND LAND REVENUES, &c.

Mr. GEORGE CULLEY, called in; and Examined.

Chairman.

2207. THE Comptroller and Auditor General calls attention to the case of two copyists who are not employed in the ordinary way, but to whom the work seems to be farmed out; and the Treasury letter of the 28th of March contains an emphatic decision against the system of farming

Chairman—*continued.*

out; has that letter been considered by the Commissioners?—Yes, and it has been acted upon.

2208. Has this practice been discontinued?—It was discontinued immediately after the reception of the opinion of the Treasury.

2209. Then with respect to these two persons,
are

19 June 1889.] Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., Mr. STONEHAM, [Continued.
and Mr. CULLEY.

APPROPRIATION ACCOUNTS—Class II.

Vote 25.—Office of Woods, Forests, and Land Revenues, &c.—*continued.*

Chairman—*continued.*

are they reduced to the position of ordinary writers, except in respect of the rate at which they are paid?—Their pay remains in the same position as it was.

2210. Their pay is secured to them under certain Orders in Council, I understand?—Yes. The only change is that they are no longer allowed to farm out the work, as it is called.

2211. Are certificates made that the work is performed by the copyists themselves?—That certificate would have been supplied instantly if the Audit Department had followed the usual practice in auditing the account. They had asked for a certificate before the change was made, but then it could not be given; and after the change was made, the Comptroller and Auditor General seems to have come to the conclusion that we have not acted upon the order of the Treasury, simply because the certificate was not sent, and made no query. In the ordinary course of things the Audit Department would have queried the account, and if they had done so, they would have been immediately supplied with a certificate, which would have explained the whole position.

2212. Am I not right in thinking that the Commissioners took up the position that those persons occupied, the position of law stationers, and justified the system of farming out the work in that way?—We explained to the Treasury why this method of working was convenient to the Office of Woods; but the Treasury having decided that it should not be continued, we immediately discontinued it.

2213. Was it only subsequent to the decision of the Treasury that the certificates were required?—No; the certificates had been asked for before the change had been made, and then we could not give them. The certificate would be to the effect that we did not farm out the work.

2214. Who signs the certificate?—I suppose it would have been signed by the writer himself, and countersigned either by me or by my chief clerk.

2215. (To Sir C. L. Ryan.) Have you received any such certificates?—We received one certificate since, but only in the month of April of this year. That was a certificate from one of the clerks; that was only signed by the copyist himself; but I now understand that we should probably have received both had we queried for them. We will take that course, and shall be able to report to the Committee again if the matter is not satisfactory next year.

2216. Would you have been satisfied if the certificate had been signed only by the clerk himself?—No, I think not; it must be countersigned by somebody else.

2217. (To Mr. Culley.) Do you suggest that it should be countersigned?—It should be countersigned by somebody who is responsible, certainly.

[The Witness withdrew.

0.60.

APPROPRIATION ACCOUNTS—Class II.

On VOTE 27.

MERCANTILE MARINE FUND (GRANT-IN-AID).

Chairman.

2218. (To Mr. Stoneham.) The Committee on Public Accounts in two successive years have called attention to the unsatisfactory condition of this fund; I see by the Report of last year that the deficiency for 1886-87 was about 160,000 £, and for 1887-88, 98,000 £; how will the deficiency stand for the year 1888-89?—There will be a deficiency of about 5,000 £, as near as I can estimate.

2219. Is that in consequence of the additional light dues?—It is in consequence of the increase in the amount of light dues, and also in consequence of certain economies which have been effected.

2220. I see, from paragraph 1 of the Comptroller and Auditor General's Report, that in the year 1887-88 the estimate exceeds the actual receipts by 5,250 £, and the actual expenditure exceeds the estimate by 1,538 £.—I may say that is not an estimate made from year to year; but it is the result of an arrangement sanctioned by Act of Parliament with the Treasury, part of which is that a Grant-in-Aid of 40,000 £ is annually made to the Mercantile Marine Funds. That amount is repeated annually.

2221. Still it is the fact, is it not, that the estimate was on the wrong side in respect of both receipts and expenditure?—There is a history connected with it, which perhaps I may explain. It was a give-and-take arrangement with the Treasury. Certain payments which the Board of Trade had to make were taken at a smaller amount, and certain receipts were taken at a larger amount; and the 40,000 £. was considered as a fair sum at the time the arrangement was come to by which the Mercantile Marine Fund should be credited.

2222. (To Sir C. L. Ryan.) Have you anything further to say upon the point?—No; it is only my duty to state the facts in this Report. (Mr. Stoneham.) I may say that at present there is a Treasury Committee sitting inquiring into the Mercantile Marine Fund, and their Report has not yet been made.

2223. (To Mr. Hamilton.) How soon is that Committee likely to report?—The Report will probably be ready very soon.

Mr. Salt.

2224. (To Mr. Stoneham.) As a matter of experience, I understand you to say the 40,000 £. is not enough?—The 40,000 £. is not enough; but probably, or possibly, the payment for services done by the Customs would have to be increased if the 40,000 £. were increased, so that on both sides of the account there would have to be an increase.

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2225. Speaking

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Mr. STONEHAM.

[Continued.]

APPROPRIATION ACCOUNTS—Class II.

Vote 27.—Mercantile Marine Fund (Grant-in-Aid)—*continued.*

Mr. Arthur O'Connor.

2225. Speaking from your experience of the way in which the Mercantile Marine Fund has worked during the last five years, would you say that it was better to put an end to such an arrangement as this, and proceed upon an actual basis of fact?—I should prefer that.

Chairman.

2226. In paragraph 4 of the Comptroller and Auditor General's Report he calls attention to the high price paid for land at the Point of Ayr of 685 *l.* per acre, and also to the high price paid for some land at Tory Island; have you any explanation to offer with regard to that point?—With regard to the land at the Point of Ayr the negotiations were carried on by the Commissioners of the Northern Lighthouses. The Lands Clauses Act does not apply to the Isle of Man, and had they not come to a conclusion with the owners of the land, which is described as being very valuable in consequence of the existence of a rabbit warren, an Act by the Manx Legislature would have been necessary, and then there would have been a question of arbitration and other proceedings. Upon the whole the Commissioners were advised by their local solicitors that it was expedient to give that price, and that although it was high it was less than would have had to be paid if proceedings had been taken to get the land in any other way.

2227. Is the Board of Trade satisfied as regards the expenditure in both cases?—The Board of Trade have sanctioned the expenditure in both cases.

2228. You have explained the circumstances only with regard to the Point of Ayr; what are the circumstances with regard to Tory Island?—In Tory Island the circumstances are not similar, because the Lands Clauses Act there would apply; but the Commissioners of Irish Lights considered it was cheaper to give the sum named than to proceed by litigation; and in the end the Board of Trade sanctioned the amount.

Mr. Arthur O'Connor.

2229. Are the Board of Trade, or the Treasury, or anybody in either office, at all acquainted with the land at Tory Island; has anybody from either of those Departments ever seen it?—I have to plead guilty to having landed twice on the Island.

2230. Have you even seen land in Tory Island worth 333 *l.* an acre?—I am not a land agent, or a land valuer; but I should be very sorry to give such a price as that for it.

2231. Or one-tenth of it?—Or a tenth of it.

2232. Can you tell me what led the Treasury or the Board of Trade to consent to paying such a monstrous price as that?—The Treasury have no concern in the matter; the whole responsibility rests upon the Board of Trade. For some time the Board of Trade refused to sanction such

APPROPRIATION ACCOUNTS—Class II.

Vote 27.—Mercantile Marine Fund (Grant-in-Aid)—*continued.*Mr. Arthur O'Connor—*continued.*

an expenditure, but in the end they considered they were bound to sanction it as there was no suspicion of *mala fides*. The land was required for lighthouse purposes, and must of necessity be obtained; and it is very questionable whether, with the experience that the Board of Trade had of going into the courts under the Lands Clauses Act, a larger sum would not have had to be paid if they had gone before the Court than was paid.

2233. Is there any land there in Tory Island which has brought in to the owner as much as 5 *s.* per acre a year?—I really do not know.

Chairman.

2234. What was the actual amount paid for the land at Tory Island?—I have not the papers here.

2235. Was it more than an acre, or less, that was taken?—I understand it was an acre.

Mr. Arthur O'Connor.

2236. Was it the City of London Surveyor who valued it, or who was it?—The matter had been in dispute for a considerable time, and the Commissioners upon their annual survey came to terms with the proprietors and settled it, relying upon *ex post facto* authority.

2237. Who was the proprietor?—I do not know; I am sorry that I am not prepared to answer these questions as to the details.

Sir Richard Temple.

2238. Did you ask for no explanation why the Lighthouse Board had gone so far as to compromise you to sanction this expenditure?—We asked for an explanation and refused for some time to sanction the expenditure.

2239. What kind of explanation did they give?—That it was the best bargain they could make.

2240. Did they not explain further than that?—No, not beyond that. It was a matter of negotiation.

Mr. Jackson.

2241. Is there any compulsory power in such a case?—There is a compulsory power; but their contention was that they obtained the land at a lower price in this way than they would have done if they had gone under the Lands Clauses Act.

Sir Richard Temple.

2242. Is that a reasonable opinion on the face of it, seeing what the price was?—It is the only opinion we could obtain; and as I have said before there was no reason to suspect *mala fides*.

2243. But there must be a reasonable amount to be arrived at having regard to financial economy in the administration of the Marine Fund?—We were of that opinion, and for that reason for a considerable time we refused to sanction the expenditure.

2244. But

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[Continued.]

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Mr. Arthur O'Connor.

2244. But surely the Board of Trade would not suppose that there was an absence of *mala fides*; for instance, if 20 l. was asked for an old hat; there must be some limit to what is a reasonable price for such a thing as that; and if you had yourself personal experience of what the land was like, would you not have dealt with the papers at all in the light of that experience when they came before you?—I am afraid that I am mainly responsible for having dealt with the papers in this case.

Chairman.

2245. As a matter of fact in these cases the Lighthouse Boards did not comply with the provisions of the Merchant Shipping Act, as I understand?—Quite so; they expended the money before obtaining the prior sanction of the Board of Trade.

Mr. Wodehouse.

2246. Was the purchase of the land absolutely necessary?—The purchase of the land was absolutely necessary for the formation of a rocket station or fog signal station.

Chairman.

2247. In paragraph 5 of the Comptroller and Auditor General's Report, I observe that the expenditure of a sum of 81 l. 6 s. 4 d. for the repair of a vessel hired for the Irish Lighthouse Service was not authorised by the Board of Trade, and the Comptroller and Auditor General reports that he is unable to pass the amount, as properly chargeable to the Mercantile Marine Fund; have you any explanation to offer as to that?—That is a case in which some damage was done to a vessel, the "Lady Ambrosine," which was employed on Lighthouse Service. There was a question as to whether the Commissioners were liable to pay for the damage, which amounted to 27 l. 7 s. 6 d., and their own solicitors advised that it was questionable whether such a liability lay against the Commissioners; but that inasmuch as the Commissioners had paid the amount, and had not resisted in the first instance, they advised that no proceedings should be taken; and the Board of Trade subsequently sanctioned the amount after correspondence.

2248. May I ask when that sanction was given, for I see that the Comptroller and Auditor General reports that the Board of Trade still withhold its sanction to the expenditure in 1887-88?—It was given after this Report was presented to Parliament.

Mr. Wodehouse.

2249. Has it been communicated to the Comptroller and Auditor General?—It should have been, but, if as I gather it has not been, I can only say that I am very sorry.

0.60.

APPROPRIATION ACCOUNTS—Class II.

Vote 27.—Mercantile Marine Fund (Grant-in-Aid)—*continued.*

Chairman.

2250. (To Sir C. L. Ryan.) If the Board of Trade now gives its sanction, would you pass the amount as properly chargeable?—I should have liked to have seen the papers before speaking positively as to that.

2251. (To Mr. Stoneham.) I observe, from paragraph 6, that there was a sum of 42 l. 7 s. 6 d. which was withdrawn from the Account for 1886-87, re-charged to 1887-88, and again withdrawn from the account for that year; the Comptroller and Auditor General expresses an opinion that "it is a very objectionable course for the Board of Trade to admit, in the Mercantile Marine Fund Accounts, charges which they have not sanctioned, and which they are prepared to withdraw when their attention is drawn to them by my Department." What have you to say upon that?—I presume it is to the practice that you desire me to address my attention.

2252. Yes?—In an account such as that of the Mercantile Marine Fund, it necessarily occurs that many points are in dispute at the time when the accounts are sent to the Comptroller and Auditor General; and it is desirable, I venture to think, that all amounts should be placed before him as far as possible, in order that they may be included in the Appropriation Accounts. Otherwise, the balance on the account would show not a clear cash balance, but various sums in dispute, and would in time form a sort of cesspool; and the Accounting Officer would be responsible for all sorts of unsettled charges.

2253. Has there not been time, having regard to the date at which the accounts are sent to the Comptroller and Auditor General, to settle questions of this kind?—There was not in this case, inasmuch as there was correspondence going on with the Trinity House.

2254. (To Sir C. L. Ryan.) Would you like to make some observations with regard to the explanation which has been given?—In this particular case, as the Committee will see by the Report, the act of charging and withdrawing, and re-charging has been done three times over; I quite admit that it is possible to put some items into the account which may be withdrawn if objected to; but that ought not to be done more than once with regard to the same point. The responsibility for a charge in an account rests with the Accounting Officer. He ought to take the responsibility of his own account, and he ought to be able to substantiate what is in his own account; he ought not to depend upon what may be, or what he thinks may be afterwards discovered by the Comptroller and Auditor General. I am not of course dealing with cases of error, but with items deliberately charged; an Accounting Officer should charge nothing but what he feels able to justify.

2255. You would prefer a matter in dispute, being left out of the account, and not submitted to

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[Continued.]

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to you, as I understand?—Certainly, because if it is not in the account I have no responsibility for it.

Mr. Arthur O'Connor.

2256. (To Mr. Stoneham.) I suppose what you would say in reply to that would be that in that case the account submitted to the Comptroller and Auditor General would be incomplete, and so far unsatisfactory?—Yes, they would not include items that had come in afterwards but within the financial year. We have to put into the account items that we think we shall settle. It is the only way the Board of Trade have to protect themselves.

2257. Has this 42 l. 7 s. 6 d. been settled?—Yes, the whole amount in dispute was 19 l.; but it has been now sanctioned upon the explanation ultimately given by the Trinity House.

Chairman.

2258. Has that sanction been sent to the Comptroller and Auditor General?—It has not yet been included in the accounts; it has been withdrawn, but it will be sent in with the next accounts.

Mr. Arthur O'Connor.

2259. Can you explain the exceptional circumstances under which it is necessary to keep such a question open for so long a time?—There has been a re-organization of the establishment of the Trinity House; and the operation of the re-organization as relating to the permanent establishment was deferred for a time, during which the Trinity House were debarred from making new appointments. There was also, at the same time, a lower scale of payment settled for temporary clerks. The Trinity House held that the arrangements should come into operation as a whole; whereas the Board of Trade considered that the Elder Brethren were bound to make economies as opportunities arose; while they, on the other hand, appointed some temporary clerks at the old or higher rates of pay.

2260. Who settled the matter in the end?—The President of the Board of Trade, I think.

2261. Are there any sums or charges at present made by the accountants which have not been submitted to the Comptroller and Auditor General by reason of their being in dispute?—No; assuming that these have been, there are no others that I am aware of.

2262. Your practice is to submit everything to the Comptroller and Auditor General whether finally decided upon or not?—Quite so; in fact it strengthens the hands of the Board of Trade.

Chairman.

2263. You mean, as I understand, that when you are disputing a question with the Commissioners of Lighthouses, for instance, and the

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Comptroller and Auditor General supports the view which you have taken, that strengthens the hands of the Board of Trade?—Quite so.

2264. (To Sir C. L. Ryan.) Would not there seem to be some force in the contention that it might be a pity to exclude such sums in dispute from the account, at all events the first time when it is submitted to you?—I think that is putting an unfair strain upon the Comptroller and Auditor General. He deals with the charges in the account as charges for which the Department which is responsible accepts the responsibility, and which it is prepared to defend, and is satisfied as to their being correct. If he is to take them as provisional charges which the Department will withdraw if he object to them, but which it will retain if he does not happen to challenge them, that is putting the Comptroller and Auditor General in a totally different position from that which he has hitherto accepted; he does not deal with any charge until the Department has accepted and approved it; and he cannot do so properly under the 24th clause of the Exchequer and Audit Act, which says that no imprest which has not been rendered and allowed by the Accounting Department, shall be charged in the account. I am dealing with the Mercantile Marine Fund Account, upon the principle of an Appropriation Account, and not upon the principle of a cash account. The actual balance of the Appropriation Account and of the cash account does not always agree. The Appropriation Account is the final account for which the Department accepts the responsibility. (Mr. Stoneham.) I think they could accept the responsibility if the Comptroller and Auditor General would be so good as to audit the balance, which at present he does not do.

2265. I do not quite follow that suggestion?—My point is that if a practice obtains of deferring charges for which payments have been absolutely made, the balance represented in the account will be not the cash or imprest balance, but sums that are in dispute; and there is a possibility of accumulation in the balance as regards sums in dispute; which would be an exceedingly undesirable condition of affairs to grow up.

2266. As I understand, you contend that you ought to submit to the Comptroller and Auditor General every item that has been spent by your Department, and your attaching your signature to the account simply means that the money has been spent, and you do not necessarily accept the responsibility for such items as those?—We must necessarily accept the responsibility; but it may be that some items are in dispute, and may have to be withdrawn.

2267. Have you any other account at the Board of Trade which is treated similarly; that is to say, in which the items in dispute are included in the account which you sign and send to

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[Continued.]

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Chairman—continued.

to the Comptroller and Auditor General?—I think not. I am afraid that the Mercantile Marine Fund Accounts are exceptional altogether.

2268. (To Sir C. L. Ryan.) What do you say as to the suggestion that you might audit the balance?—Practically I should audit the balance; the balance has to be proved. The balance in cash is so much, the balance in the bank is so much, the balance in the hands of sub-accountants is so much, and the balance in the suspense account where any disputed items are placed is so much. That does audit the balance.

2269. Is there a suspense account of that kind in some of the other accounts which are submitted to you?—Yes; in fact the accounting officers are constantly obliged to have recourse to something in the nature of a suspense account; they cannot tell what the final charge is going to be, but I know that there is an amount in dispute. If I found anything being carried on in the suspense account which it seemed desirable to have charged, I should certainly raise the question, and when the charge finally came before me I should say, "Why was not this charged before?" and then there would be an explanation. It would be understood that the items are not lost sight of from the fact of their not being finally charged.

2270. I understand you to say that the inclusion of disputed items like these for which the accounting officer is not prepared to assume full responsibility is not in accordance with the Exchequer and Audit Act?—I think it is not. (Mr. Stoneham.) I may point out this is not an Appropriation Account. (Sir C. L. Ryan.) No; but I am necessarily dealing with it as if it were before this Committee.

Sir Richard Temple.

2271. (To Mr. Stoneham.) Is it not an audit on the principle of the Appropriation Act?—It may be; but in that Act there is a special provision that accounts which are not Appropriation Accounts shall be audited under Treasury instructions.

Mr. Arthur O'Connor.

2272. Are the Treasury instructions drawn up in a manner to cover the Mercantile Marine Fund Accounts?—I am not sure about that.

2273. So far as you know there are no Treasury instructions to cover that fund?—So far as I know there are no instructions.

Mr. Jackson.

2274. So far as the Treasury is concerned this is treated as a Grant-in-Aid, is it not?—It is a Grant-in-Aid; but the Grant-in-Aid would be covered by the account rendered on page 181.

Sir Richard Temple.

2275. (To Mr. Hamilton.) Could you tell us whether the Treasury have issued instructions 0.60.

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Sir Richard Temple—continued.

as to the auditing this account?—There have been no separate instructions so far as I am aware.

2276. Ought there not to be, in your opinion, after what is said here?—After what the Comptroller and Auditor General says in his Report of this year, we are quite prepared to take into consideration the question whether the accounts could not be presented in a better form.

2277. But with regard to the instructions regarding the auditing of this account, Mr. Stoneham says that the account must either be audited as an Appropriation Account, or else under special instructions from the Treasury, and in this case there do not appear to be special instructions?—It is audited under Section 33 of the Exchequer and Audit Act as an Appropriation Account. (Mr. Stoneham.) But the Mercantile Marine Fund is not an Appropriation Account. That question has never been put before the Treasury; it is a new point.

Mr. Jackson.

2278. So far as the Treasury is concerned all that they are concerned with is the 40,000 l. a year which is made as a Grant-in-Aid?—Quite so.

2279. *Quâ* Treasury that is not audited as an Appropriation Account?—The 40,000 l. is audited as an Appropriation Account, but the Mercantile Marine Fund is not necessarily so audited.

Mr. Arthur O'Connor.

2280. (To Sir C. L. Ryan.) Does the auditing of the balance which you have described go to the extent of checking the actual balance in the hands of the sub-accountants or of the banks?—Only on paper.

2281. (To Mr. Stoneham.) Is that what you meant?—No; I had in my mind some accounts, I believe, under the Mercantile Marine Fund, as to which the Comptroller and Auditor General says he has not examined and certified the balance.

2282. What is it that you desired to have done which is not yet done?—I am not desirous to have any alteration at all; I think the present system is a perfect system; but if I am to carry into the balance every sum that is in dispute at the time that the Appropriation Account is made up, I am very anxious that the Comptroller and Auditor General should follow me and see that upon that balance improper items are not left to rust.

Chairman.

2283. Do you object to the suggestion of the Comptroller and Auditor General, that such items should be carried to a suspense account, where he would see them?—They would be necessarily carried to a suspense account; but I am not aware that he has ever, so far as the Mercantile Marine Fund is concerned, gone into the question of a matter that had been in suspense.

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2284. Was

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Mr. STONEHAM.[*Continued.*]

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2284. Was not this matter of 42 l. 7 s. 6 d in suspense?—It was only in suspense in consequence of its having been withdrawn; and had it not been included in the account in the first instance there is no evidence at all that the Comptroller and Auditor General would have taken any notice of it.

2285. Could not you draw attention to it by placing it in a suspense account?—It would simply be a statement of the balance of so many thousands of pounds in the hands of the Paymaster General, so many thousand pounds in the hands of imprest accountants, and so much in suspense, which might consist of very small items of shillings and pounds.

2286. If you desire to call the attention of the Comptroller and Auditor General to a payment of this kind could not you do it just as well in the suspense account as by including it in the account which you have signed, and for which you therefore assume the responsibility?—If it were in the suspense account it would not necessarily come under the notice of the Comptroller and Auditor General.

2287. But you could bring it under his notice could you not. I understood you to suggest that you wanted the support of the Comptroller and Auditor General in some questions between you and the Lighthouse Authorities?—May I point out the very individious position I should be placed in: I should have to call the attention of the Comptroller and Auditor General to question in dispute between the Commissioners of Lighthouses and the Board of Trade, and invite him to intervene in the quarrel.

2288. Is not that what you have to do now?—Yes; but I now do it in a regular way, I should then do so in an irregular way.

2289. Is not the whole question whether the present mode is not irregular?—I venture to submit that it is not.

2290. (To Sir C. L. Ryan.) I understand you to desire that this account should be treated as nearly like an Appropriation Account as possible, and that the lines laid down by the Exchequer and Audit Act should be followed?—I think that the account is perfectly susceptible of treatment upon appropriation lines; and where that is so I think it is far better to treat the accounts, which are in reality public accounts dealing with public money, on uniform lines rather than have special regulations with regard to them. There seems to me to be no reason why they should not be treated in the ordinary way as money granted by Parliament. You will observe further on that I have suggested that steps should be taken which would bring them more into the category of public accounts; and I think there is no difficulty in dealing with the points which Mr. Stoneham mentioned, other than the point that he apparently wishes to obtain the opinion of the Comptroller and Auditor General for the purpose of using that opinion in any contest with other Boards subordinate to the

APPROPRIATION ACCOUNTS—Class II.

Vote 27.—Mercantile Marine Fund (Grant-in-Aid)—*continued.**Chairman—continued.*

Board of Trade; and upon that I would submit that that is not a fair use of the Comptroller and Auditor General's Department. The Board of Trade must be strong enough to deal with its own sub-accountants itself, without the intervention of the Comptroller and Auditor General.

Mr. Wodehouse.

2291. Have you had occasion in former years to raise this same objection?—I cannot speak with certainty at this moment.

2292. The point has not been brought before the Public Accounts Committee; I believe it is a novel point, is it not?—Yes, it is a new point for the Public Accounts Committee.

Mr. Arthur O'Connor.

2293. (To Mr Stoneham.) Do you for the Board of Trade take steps which apparently the Comptroller and Auditor General cannot take, or does not take, to check the actual balances in the hands of sub-accountants and the balance at the bankers?—Yes, very frequently.

2294. In respect of the Commissioners of Lights for instance?—Yes; we have bankers' certificates periodically.

Chairman.

2295. In the seventh paragraph the Comptroller and Auditor General calls attention to the violation of the Merchant Shipping Act of 1854 by the Board of Trade in respect of having given exemption to the Royal Mail Steamship Company from the requirements of the Act as to affording free passage to British seamen in distress in foreign countries; have you anything to say with regard to that point?—The arrangement to which the Comptroller and Auditor General calls attention dates from the year 1871. By the Merchant Shipping Act the Board of Trade have power only to require the conveyance of seamen as distressed seamen in ships bound to the United Kingdom or to the British possession to which they belong; consequently in vessels that are trading inter-colonially they have no power to require such conveyance.

2296. Is the statement inaccurate that the section of the Act relates to ships "bound to the United Kingdom or to ports in British possessions"?—I said trading inter-colonially; it has never been held to apply to ships trading from British possession to British possession, unless the man belonged to the colony to which the vessel was bound, but it would apply to ports in foreign countries and to colonial ports.

Mr. Arthur O'Connor.

2297. You deny the legal liability of the company, I understand?—We deny the legal liability of the company in certain cases, but in certain other cases there is a legal liability. The arrangement was made by the Board of Trade in 1871, that in consideration of a certain concession made by this company in conveying seamen other than as passengers, a concession should

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Mr. Arthur O'Connor—continued.

should also be made to them in respect of seamen brought to the United Kingdom.

2298. Is the Board of Trade satisfied that it has legislative authority for such an arrangement?—It is very questionable whether there is legislative authority; but it is an economical arrangement, and it is believed to work for the benefit of the State.

2299. And for the benefit of distressed British seamen?—And for the benefit of distressed British seamen.

Mr. Wodehouse.

2300. Were the Board of Trade acting on legal advice when they made that arrangement?—No; the Board of Trade had no legal adviser in 1871. It was an arrangement made both for the benefit of the seamen and for the sake of economy.

Chairman.

2301. Then in the next paragraph is a similar charge of 46*l.* 11*s.* 3*d.* for the relief of 14 mariners left in Greece after navigating a vessel there; and it appears that seven of the mariners in question were taken to the Greek Consulate in Glasgow by an outfitter in Glasgow who was not licensed to “engage or supply” seamen, and that that person is liable to a fine of 20*l.* for each seaman so engaged or supplied?—The 147th section of the Act to which the Comptroller and Auditor General refers applies only to British vessels, and, therefore, this being a Greek vessel, the penalty would not accrue.

2302. Is there no means of punishing a person not licensed to engage or supply seamen who supplies mariners in this way to a foreign vessel?—No.

2303. (To Sir C. L. Ryan.) It appears that an arrangement has been arrived at between the Board of Trade and the Trinity Board, whereby the Trinity Board accept an allowance of 800*l.* per annum in lieu of charges on the Mercantile Marine Fund, which for the last five years have averaged 1,770*l.* per annum; is that arrangement satisfactory to you?—Yes, I think it is. It shows a considerable saving in favour of the Mercantile Marine Fund.

2304. (To Mr. Hamilton.) With respect to the last paragraph (10) of the Report on this Vote, I suppose that the question of the form of the account will be considered by the Departmental Committee to which you have already alluded?—That is not within the terms of the reference to the Committee. The Committee's inquiry is limited practically to seeing whether they can produce an equilibrium on both sides of the account. But in consequence of what the Comptroller and Auditor General says here in his Report, and considering how important it is, not only for the purposes of audit but also from the point of view of departmental control, that the best form of account should be prepared, I think it would be well worth considering whether

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APPROPRIATION ACCOUNTS—Class II.

Vote 27.—Mercantile Marine Fund (Grant-in-Aid)—continued.

Chairman—continued.

the Treasury should not depute their officers of account to inquire into this matter. Any proposal of theirs might be submitted to the Committee before that Committee finally reported, in order that it might have the imprimatur, so to speak, or authority of that Committee.

2305. Perhaps the Committee might consider whether the precedent of the Greenwich Hospital Account might be followed, which, I think, is a form similar to that suggested by the Comptroller and Auditor General?—Yes; I have no doubt that may be a form of account which may be suitable for this purpose.

2306. (To Sir C. L. Ryan.) That is a similar form, is it not?—Yes; I think in the case of the Greenwich Hospital Accounts the statements as presented to Parliament show the estimated income and expenditure in detail; Greenwich Hospital being of a public nature and not voted money, it might very fairly form the subject of consideration by any Committee in inquiring into the question whether that form could not be adapted to the Mercantile Marine Fund. (Mr. Stoneham.) I should explain that Lord Stanley, when he was at the Board of Trade, considered this matter and decided that no change was desirable while these inquiries were going on; and as a Royal Commission is, I believe, to be appointed to inquire into certain points connected with the Mercantile Marine Fund, perhaps the Committee would also think it desirable that this question should be deferred until the Royal Commission have reported.

2307. Which Royal Commission do you refer to?—The Royal Commission that has been promised to shipowners.

2308. Why should you not have it considered by the Departmental Committee of the Treasury; might not that save time?—That is not one of the points that has been referred to that Committee, as Mr. Hamilton has just now explained. (Mr. Hamilton.) I think it might be arranged that, in the first place, this point should be considered by the Treasury officers of account, and any suggestion they might make might be referred to this Committee, so as to get the Committee to express an opinion upon the point.

2309. (To Mr. Stoneham.) Would it not seem to be more a question for the Treasury than for a Royal Commission?—My point is that the whole account should be in a continuous form for a Royal Commission to deal with.

2310. Leaving it to a Commission may mean delay, may it not?—Possibly; but I should explain that the estimates submitted by the lighthouse boards for the purpose of the Board of Trade are not submitted so much for the purpose of account as for the purpose of control, and during the year they are constantly varied.

Mr. Arthur O'Connor.

2311. Why are they varied?—From the necessities of the service.

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2312. You

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Mr. STONEHAM.

[Continued.]

APPROPRIATION ACCOUNTS—Class II.

Vote 27.—Mercantile Marine Fund (Grant-in-Aid)—*continued.*Mr. Arthur O'Connor—*continued.*

2312. You mean varied at the instance of the lighthouse authorities?—Yes.

2313. Never at the instance of the Board of Trade?—No; the Board of Trade has no power of initiation.

2314. You spoke of the control exercised by the Board of Trade; are you satisfied with the nature and extent of that control?—I think that the control might be strengthened.

2315. You are not satisfied with it?—I think it might be strengthened.

2316. In what respect do you think that it ought to be strengthened?—The Board of Trade have the power of veto, but it is exceedingly difficult for the Board of Trade to say if a certain expenditure with regard to the illumination of the coast is unnecessary, if it is represented by so strong a body as the 14 Elder Brethren of the Trinity House, the Board of Trade being advised by but one naval officer. But as I understand it, the whole question of the control and management of the Mercantile Marine Fund is very much in a state of flux from the inquiries that are pending.

2317. These bodies you mention are very strong, are they?—Undoubtedly they are very strong.

2318. And the Board of Trade feels their strength?—Undoubtedly.

2319. Sometimes there are points at issue between these bodies and the Board of Trade, in which the Board of Trade feel that they are hardly competent to do what they believe they are justified in doing?—Yes, as evidenced to-day.

Sir Richard Temple.

2320. With regard to this deficit, shown at page 181, of nearly 13,000 *l.*; is that deficit under the control of the Board of Trade?—It is simply a deficit accruing under the arrangement with the Treasury as between the Grant-in-Aid and the Mercantile Marine Fund.

2321. At present the expenditure steadily exceeds the receipts?—Exactly.

2322. The actual expenditure for 1887-88 is 86,000 *l.*; that exceeds the actual receipts by nearly 13,000 *l.*; is this 86,000 *l.* really under the control of the Board of Trade?—Certainly.2323. Why does not the Board of Trade keep it down to the receipts?—As I explained or tried to explain before, it is the result of a give and take arrangement with the Treasury. Had the Treasury given us 50,000 *l.* instead of 40,000 *l.*, the deficit would not have arisen; but inasmuch as the Treasury would not under this arrangement give us more than 40,000 *l.*, the deficit has arisen.

2324. Does the Board of Trade acknowledge no obligation to regulate the expenditure in relation to the receipts?—Not with this particular item.

2325. As I understand, it is not a particular item; it is the total expenditure?—No. I beg

APPROPRIATION ACCOUNTS—Class II.

Vote 27.—Mercantile Marine Fund (Grant-in-Aid)—*continued.*Sir Richard Temple—*continued.*

your pardon, I am afraid I am not in a position to go into the whole of the details, because it is under a special Act of Parliament which I have not here; I have not the figures here. It is total expenditure on certain items included in the whole amount, but the whole amount is half-a-million of money on both sides; that deficit only arose on certain items.

Sir Walter Barttelot.

2326. This is only on certain items, and I understand it varies every year?—Yes, quite so.

2327. The Treasury think, or thought, that 40,000 *l.* would cover what they ought to pay, and therefore they did not pay what you ask, namely, 50,000 *l.*?—Yes, quite so.

2328. And then there was this deficit, which would not have happened if the Treasury had given the money which you thought they should have?—Yes.

Mr. Jackson.

2329. Of course no deficit would arise in any department if the Treasury gave what was enough to meet all the expenses?—Yes; the extra 10,000 *l.* which we thought that we were entitled to is balanced by the assumption on the part of the Treasury that we pay insufficient for certain services done on our behalf by other services of the State.

Sir Walter Barttelot.

2330. I understand that your estimate would come to more than the Treasury gave you; that it was based on accurate information?—In point of fact that is so; but there were certain under-payments which we were credited with which balanced the account. For instance, we pay 15,000 *l.* a year to the Customs for doing certain work. The Treasury assumed that we ought to pay 25,000 *l.* or 20,000 *l.* for that work, and the difference between the 15,000 *l.* and the 20,000 *l.* or 25,000 *l.* would balance this account. It is a give and take arrangement.

2331. As I understand, when there is a deficit in that sort of way, it is bound to appear here, and the Treasury does not make it up?—Quite so.

Sir Richard Temple.

2332. The deficit comes out of your cash balance, I understand?—Yes.

2333. And you have a cash balance to meet it?—Yes.

2334. It appears to be reduced from 104,000 *l.* in March 1887 to 60,000 *l.* in March 1888?—Yes.

Chairman.

2335. As I understand, the state of the account has improved since then owing to the increase of the light dues?—Yes; the state of the account nearly

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[Continued.]

APPROPRIATION ACCOUNTS—Class II.

Vote 27.—Mercantile Marine Fund (Grant-in-Aid)—*continued.**Chairman*—continued

nearly balances itself now; last year there was a deficit of only 5,000 l.

2336. Whereas in previous years it amounted to nearly 36,000 l.?—Yes, more than that I believe. (*See Appendix.*)

[The Witness withdrew.]

On VOTE 38.

LOCAL GOVERNMENT BOARD (IRELAND).

Chairman.

2337. (To Mr. Hamilton.) I see that, after a long correspondence on the subject of the Castle-lake Workhouse, the Treasury came to the decision not to insist on the recovery of the amount of rent from the board of guardians, but they reserve to themselves discretion as to any action which they may think it right to adopt hereafter in order to lessen a charge on the taxpayer, which is so out of proportion to the object attained, and which further appears so out of proportion to the fair value of land in Ireland; what do the Treasury propose to do in this matter?—No fresh decision has been come to by the Treasury, except that for this present year we have undertaken to pay the rent again. As the Committee will see from the correspondence, the liability has been fixed upon the Local Government Board by a court of law, and in the absence of some legislation, and unless the guardians see fit (as they are not likely to do) to pay the whole, I do not think that we have anything else to do but to pay the rent temporarily.

2338. Has the Treasury considered the last paragraph of the letter of the Irish Local Government Board of the 22nd of February 1887, in which they recommend that "On the first opportunity there should be legislation to enable them to hand over to boards of guardians the workhouse property purchased or taken on lease, and held in trust for union purposes, and to transfer from the Local Government Board to boards of guardians all liabilities in respect to rents on lands and premises so held"?—Yes, that was what I meant when I referred to legislation. Legislation seems to be the best way out of the difficulty; but I am afraid that there is no likelihood just now of our being able to legislate in that direction.

2339. The Treasury are disposed to agree with the Local Government Board upon that point?—Yes.

Mr. Arthur O'Connor.

2340. It appears that the guardians have for some years been paying what is recognised as an exorbitant rent?—Yes.

2341. And now the Local Government Board is landed in the necessity of paying that rent?—Yes; it is a rent in perpetuity.

2342. Therefore they want to shift the burden of the building on to the shoulders of the

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APPROPRIATION ACCOUNTS—Class II.

Vote 38 —Local Government Board (Ireland)—*continued.**Mr. Arthur O'Connor*—continued.

guardians?—The Local Government Board are not responsible for the building; it is the guardians who are responsible for it.

2343. This letter that has been quoted, signed by Mr. Mooney, is a Local Government Board letter?—Yes.

2344. The proposal to enable them to hand over to boards of guardians workhouse property, including the liabilities attaching thereto, is a Local Government Board proposal?—Yes.

2345. In fact you have no power to compel the guardians to pay you anything, have you?—According to the judgment of the Law Court, we are liable.

Mr. Jackson.

2346. Is that so; has there not been an action taken against the guardians?—The action was taken against the Local Government Board, and the liability of the Local Government Board was established. I say nothing as to whether we might not, and may not, take proceedings against the guardians by mandamus or otherwise.

Chairman.

2347. What has happened has been that the guardians have volunteered to pay about one-third of the rent, and that has now been accepted by the Treasury?—Yes; temporarily.

CLASS III.—LAW AND JUSTICE.

On VOTE 1.

LAW CHARGES, ENGLAND.

Chairman.

2348. (To Mr. Hamilton.) It seems that the extradition expenses, in relation to the United States, have been divided between this Vote, Sub-head G. and Vote 2, Sub-head M., under the direction of the Treasury; the Comptroller and Auditor General suggests that these expenses should not be divided between two Votes; what view do the Treasury entertain upon that point?—The object of dividing them in this case arises from the fact that the expenses are of a two-fold character; there are the *bond fide* extradition expenses, that is, the expenses incurred in extraditing under the treaty between this country and the United States, such as the expenses of going before the Court to secure the extradition; and then there are also the expenses connected with the detection of criminals. For instance, it might be necessary to scour the whole of North America before a criminal who is wanted could be found, and the expense so incurred can hardly be regarded as an extradition expense. It was thought proper to make a distinction between these expenses over which we have a control, and expenses over which we have no control,

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Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B.

[Continued.]

APPROPRIATION ACCOUNTS—Class III.

Vote 1.—Law Charges, England—*continued*.*Chairman—continued.*

such as those which are incurred in the actual process of extraditing a criminal. I admit that it is a little awkward to have the expenses divided between these two Votes, Vote 1 and Vote 2; but next year an opportunity will arise of our reviewing the necessity of having Vote 2 at all, because most of Vote 2 will disappear, and we may be able to put the remaining expenses that occur under Vote 2 into Vote 1. If this can be done, although we may not be able to put the expenses connected directly and indirectly with

APPROPRIATION ACCOUNTS—Class III.

Vote 1.—Law Charges, England—*continued*.*Chairman—continued.*

extradition under one sub-head, yet they may admit of being placed under one Vote; and we might charge whatever it was thought necessary to charge to Law Charges Vote as it is charged at present, and the expenses connected directly with extradition would go under another sub-head in the same Vote.

2349. Then the Treasury will consider the propriety of putting both those items under different sub-heads of the same Vote?—I think so.

On VOTE 3.

SUPREME COURT OF JUDICATURE.

Sir W. HENRY WHITE, C.B., called in; and Examined.

Chairman.

2350. It seems that the attention of the Comptroller and Auditor General was first called to the fact that certain "redundant clerks" had been for some few years actually in receipt of their full salaries whilst performing no official duties in connection with the office, by the Report of the Committee on the Central Office of the Supreme Court of Judicature (1887); he now reports that the payments are not properly chargeable against a Vote under which provision would appear to have been made for the effective service of the establishment only; what view does your Department take upon this subject?—The view is this; that, as these gentlemen's names are borne upon the full pay establishment list of the office, there is no other course than to pay their salaries until they are removed either by superannuation or retirement in some form.

2351. (To Sir C. L. Ryan.) Your point, as I understand, is that such payments as these should not appear in this account, which should include only effective service?—My point is that Parliament has granted this money for the services of clerks who were actually at work, not for the purpose of the services of clerks who were, so to speak, pensioned on full pay, and in that case it is a wrong charge to the Vote. Of course, as an ordinary rule, I should not be aware whether a person who was on full pay was doing his work or not doing his work, but if, from any authentic document, it comes to my knowledge that persons are charged on full pay who are doing nothing for that pay, it is my duty to report the fact.

Mr. Arthur O'Connor.

2352. These are gentlemen on full pay on permanent leave, as I understand?—Yes.

Chairman.

2353. (To Sir W. H. White.) It is permanent leave subject to this, that they may be called

Chairman—continued.

upon as necessity may require to undertake work; is not that so?—Yes, that is the case.

2354. (To Mr. Hamilton.) I think that by the Treasury letter of the 15th of March 1880 the Treasury gave approval to the arrangement which was made for the formation of a list of redundant clerks not exceeding six in number?—That is the case; there was an amalgamation of several legal offices, resulting in great economy of labour, and the Treasury were face to face with this difficulty: in consequence of this amalgamation there was not enough work for some of the clerks to do; on the other hand, there was no power of compulsory retirement, and the only thing to do was to keep them as redundant clerks, liable to be called upon to do duty. I do not think that the Comptroller and Auditor General means that we ought to put these charges under the Superannuation Vote, because, of course, we have no power to do so.

Mr. Arthur O'Connor.

2355. Have there been any fresh appointments since these gentlemen became redundant?—I am not aware of any.

2356. What was the date when they became redundant?—The amalgamation took place in 1880.

2357. Have there been no new appointments in this branch of the service for nine years?—Not in these legal offices, that I am aware of.

Mr. Jackson.

2358. Is it not the fact that they have retired since?—They have volunteered to retire since. There are none of those redundant clerks (as they are called) now. (Sir W. H. White.) Two have died, and three are on pension.

2359. (To

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Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., and
Sir W. H. WHITE, C.B.

[Continued.]

APPROPRIATION ACCOUNTS—Class III.

Vote 3.—Supreme Court of Judicature—
*continued.**Mr. Arthur O'Connor.*

2359. (To Mr. *Hamilton*.) Is there any similar instance to this in the whole service?—Not that I am aware of.

Chairman.

2360. Would the Treasury allow a similar arrangement now; would they give such an approval as they gave in the year 1880?—I hope we shall not be put in such a difficult position as regards any such case.

[The Witness withdrew.]

On VOTE 12.

PRISONS, ENGLAND AND THE COLONIES.

Chairman.

2361. (To Mr. *Hamilton*.) Can you give any further information as to the progress that is being made by the Prison Commissioners in dealing with the question of Prison Charities?—A form of scheme providing for the application of these Prison Charities was finally adopted at the beginning of last year, and the Commissioners have had before them during the present year the work of establishing a scheme for the administration of Prison Charities, and it is now far advanced; so that I think in the course of this year the scheme will be carried into practical effect.

2362. You are satisfied that no time is being lost upon the subject?—Yes.

On VOTE 21.

LAW CHARGES AND CRIMINAL PROSECUTIONS, IRELAND.

Chairman.

3263. (To Mr. *Hamilton*.) The Comptroller and Auditor General calls attention to the inclusion within Sub-head G. of this Vote of the cost of defending certain actions against the Chief Secretary, whereas with certain definite exceptions, under Sub-head H., it would appear to make provision only for the cost of conducting prosecutions; that is so, is it not?—That is the case as regards the accounts to which this Report relates; but since then we have altered the Sub-head, and the Sub-head, instead of being "General Law Expenses," runs "Defence of Public Officials," which will cover such cases.

2364. (To Sir C. L. *Ryan*.) Are you satisfied with the form of the new Estimates?—Yes, I think that will meet the point.

APPROPRIATION ACCOUNTS—Class III.

On VOTE 30.

CONSTABULARY OF IRELAND.

Chairman.

2365. (To Sir C. L. *Ryan*.) In paragraph 4 of your Report on this Vote you call attention to a special allowance of 255 l. paid to County Inspector Byrne for acting as a divisional magistrate; I suppose that question is practically embraced in that already settled by this Committee in their first Report?—Yes, I think it is.

2366. (To Mr. *Hamilton*.) With respect to the claims for extra force from the County of Galway and from Limerick City, and also certain arrears since accrued in respect of assessments on Cork City and Londonderry City, and County Mayo, has anything been done to collect the arrears?—Nothing further has been done with respect to collecting the arrears; but the Government are not prepared to admit that they have abandoned the claim.

2367. Further information, I think, was promised on the question of your legal power to collect such arrears?—Yes; I was not acquainted with the facts last year when the case came up before the Committee. I think that I can now explain to the Committee what the circumstances are if they wish to hear them. As regards Limerick City the amount was certified and presented; the presentment was (what was called) fiat by the Court, but the presenting authority, the corporation, declined to applot the amount. The remedy against the presenting authority is by mandamus, and I believe if it was thought expedient proceedings might be taken by mandamus against the corporation, without any fresh presentment, but it is a question of policy which lies entirely outside these accounts. As regards Galway, the sum had been likewise certified, and presented; the presenting authority in this case did not refuse to applot (as it is called) the amount, but the rate was resisted by the ratepayers, and I believe the remedy for recovering (what would be) a grand jury cess is by distress and sale of goods; in order to put that proceeding in force a fresh presentment, I believe, would be necessary, owing to the fact that proceedings have not been taken within the year in which the presentment was made.

2368. (To Sir C. L. *Ryan*.) Have you as yet received any reply to the application you made for information upon this subject?—No. (Mr. *Hamilton*.) I ought to add that we have only just recently got this information, but the Comptroller and Auditor General shall have a letter upon the subject.

2369. (To Sir C. L. *Ryan*.) I presume, in consequence of the decision come to by the Committee in their First Report, the surplus of this account may stand as in the account?—It would follow the decision of the Committee in their First Report.

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Mr. HAMILTON, C.B., and Sir C. L. RYAN, K.C.B.

[Continued.]

APPROPRIATION ACCOUNTS.

CLASS VI.

NON-EFFECTIVE AND CHARITABLE SERVICES.

ON VOTE 1.

SUPERANNUATION AND RETIRED ALLOWANCES.

Chairman.

2370. (To Mr. *Hamilton*.) In the case of Captain Antoine Butler, late a divisional magistrate, a pension of 666 l. 13 s. 4 d. seems to have been granted, calculated upon a salary of 1,000 l., which exceeds the amount allowable under the Act by 325 l.; does the Treasury regard that as a legal grant?—As a legal grant, yes. It is on all-fours with a case of salary which was before the Committee this year, and on which they reported separately. I refer to the case of payments to Resident Magistrates. This is a pension which naturally followed the salary. As the Committee are aware, the Law Officers at the time gave an opinion that the higher rate of salary at which we were paying was not illegal; but there was an irregularity, which has since been rectified by the Minute that was issued in the early part of this year.

2371. This case is somewhat different, is it not, because this is a retrospective question, whereas the question decided by this Committee was with regard to salaries for the current year?—Yes; but the Committee have always allowed these salaries up to now; they have been passed in the accounts.

Mr. Barran.

2372. As salaries paid to resident magistrates?—Yes. As salaries paid to resident magistrates; none of them have been refused. The Comptroller and Auditor General has reported against them; indeed he has called attention over and over again to the fact that there has been something irregular about them, but they have never been excluded.

Chairman.

2373. Was not that because of the promise year after year that the matter would receive attention, and would be regulated?—My contention is that as the salaries were admitted a pension calculated on those salaries should likewise be admitted; we have always drawn a distinction between illegality and irregularity.

2374. I observe from the 3rd paragraph of the Comptroller and Auditor General's Report that a pension of 1,337 l. 15 s. 6 d. has been granted to Sir John Kirk, late Agent and Consul General at Zanzibar; it seems he has been pensioned on his entire service commencing from 1866, although it would seem that his service prior to 1884 does not satisfy the requirements of Section 17 of the Superannuation Act, 1859?—The pension was awarded in pursuance of an agreement made with the Government of India in 1883; I do not think it can be said that there is any legal defence for this pension beyond the fact that it is the result of the arrangement made between the two Governments.

APPROPRIATION ACCOUNTS—Class VI.

Vote 1.—Superannuation and Retired Allowances—continued.

Chairman—continued.

2375. Did the undertaking relate to pension?—Yes; to pension. The general arrangement was, as pointed out by the Comptroller and Auditor General, that the control of the Agency should be transferred to the Home Government on the condition that the Home Government took over all the liabilities as regards the salaries and the pensions of the officers.

2376. Do you mean the liabilities before 1884?—The liabilities incurred before 1884.

Mr. Jackson.

2377. That is to say the liabilities then existing?—Quite so. Of course the pension was a contingent charge then existing.

Chairman.

2378. (To Sir C. L. *Ryan*.) You do not agree with that view, I understand?—I think that the agreement itself was *ultra vires*. (Mr. *Hamilton*.) As I have admitted, I do not think there is any legal defence for the pension.

2379. But you think that now there is the moral obligation as regards Sir John Kirk on the part of the Indian Government?—Yes.

2380. With regard to the pension of 253 l. 15 s. to Captain R. Godschall Johnson, late a Queen's Foreign Service messenger, which has been calculated upon a salary of 400 l. per annum, and emoluments of 125 l. in respect of travelling allowance at 1 l. per diem, the Comptroller and Auditor General calls attention to the action of the Treasury "under the technical reading of the Act, which is practically obsolete," and points out that the actual gross receipts of Captain Johnson during the last three years service for travelling allowance only averaged 92 l. 6 s. 8 d. per annum, of which a considerable portion cannot be regarded as emolument; what have you to say as to that case?—The Comptroller and Auditor General does not, I believe, question the legality of this pension; he thinks that it is somewhat against the spirit of the Act. Therefore, I presume, there is no question of illegality arising here. The case is this: there was 400 l. a year paid as salary, and there was an allowance for subsistence when travelling on duty, out of which it was arranged that 125 l. should represent profit. On the sum of 125 l. the man paid income-tax. The Treasury thought that as the man paid income-tax upon that sum, and as it constituted a part of his recognised emoluments, it was a fair thing to reckon it in computing his pension. Of course we might propose another arrangement, but the only result probably would be that we should be asked to raise these salaries to 525 l., and we should not gain anything by it.

Mr. Barran.

2381. That would be including travelling expenses?—Yes; the Committee will understand that the subsistence allowance was intentionally fixed at a rate which would permit of a profit being made out of it, as it was considered desirable to give messengers some inducement to travel.

2382. Is

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Mr. HAMILTON, C.B., and Sir C. L. RYAN, K.C.B.

[Continued.]

APPROPRIATION ACCOUNTS—Class VI.

Vote 1.—Superannuation and Retired Allowances—continued.

Chairman.

2382. Is it usual to grant pension allowances based upon the whole of the travelling expenses, &c.?—I do not think that there is any similar case in the service.

2383. Is it usual in the case of Foreign Office messengers?—Yes; that was the arrangement made with the Foreign Office in 1861.

Mr. Barran.

2384. It was agreed between the Foreign Office and these men that they should have this as part of their salary, and that their pension allowance should be calculated upon that basis?—Yes.

2385. Are all the men now engaged, engaged on the same terms?—Yes. I dare say we could make a different arrangement as regards future appointments, but I am afraid that it would not be more economical.

Chairman.

2386. I observe that it was agreed that the travelling allowance should be taken at 125 l. a year; but do you state further, in answer to the honourable Member, that it was also agreed that the pension should be calculated upon that 125 l.?—I do not say that it was agreed; it would follow as a matter of course that the emoluments should be added to the salary and be taken into account in computing the pensions.

2387. Would you treat the 125 l. as emoluments when a large amount of it must be spent in travelling?—This 125 l. is a subsistence allowance, not an expense out of pocket; it represents the estimated amount which messengers make out of their subsistence allowance. Of course their travelling expenses are paid besides.

Mr. Barran.

2388. This is really an allowance in the form of board wages?—It is what we call subsistence allowance.

2389. They travel on Foreign Office service, and are provided with their food and ordinary personal expenses?—They are paid travelling expenses in addition to the allowance.

Mr. Jackson.

2390. The system is the same throughout all the service, is it not; it is not limited to the Foreign Office only?—No; but the Foreign Office messengers are from the nature of their employment, able to make more out of the allowance.

Chairman.

2391. Throughout the service would the pension be calculated on the salary plus the subsistence allowance?—I am not aware of anyone else getting regular subsistence allowance. The Committee will understand that originally the 525 l. covered everything. That was found to be not a very satisfactory arrangement; the Foreign Office wanted these men to make something out of 0.60.

APPROPRIATION ACCOUNTS—Class VI.

Vote 1.—Superannuation and Retired Allowances—continued.

Chairman—continued.

of the travelling allowance, as an inducement to travel, and in that way to get a more economical arrangement.

Mr. Barran.

2392. Then is the subsistence in reality very much larger than 125 l.?—It depends upon how much a man travels. A man, for instance, might be ill for six months, and then he will get very much less; but if he was an active man he might make very much more than 125 l., according to the number of nights in which he was travelling.

2393. Is this supposed to be the net amount of the profit a man would make out of the amount allowed to him for travelling?—Yes; it is supposed to be the average net amount.

2394. That is to say, they were allowed 525 l., but now they get 400 l. and pocket 125 l., because of getting over the ground much faster; is that so?—When the 525 l. covered salary and subsistence allowance, the messengers might just as well have stayed at home; what was wanted was an inducement to travel. The arrangement was then altered to 400 l. per annum, and 1 l. a day for subsistence when travelling, out of which allowance 125 l. was taken as the average profit, and is counted for pension.

Chairman.

2395. It seems from paragraph 5 that again an over-payment has been made in respect of the pension granted to Duncan Anderson; last year you told us that the pension had been reduced, and the over-payment would not be made in future, so that I suppose that no items like these will appear?—The over-payment has been recovered now.

2396. For both years?—There is nothing more outstanding.

2397. The Comptroller and Auditor General in the next paragraph calls attention to the fact that Mr. Irving, late resident Councillor at Penang, has been granted a superannuation allowance at the age of 56, whereas under the Act he would not be qualified below the age of 60; have you any explanation to make with regard to this case?—I think that the Treasury must admit that there was an error in this case, and we shall not treat any such case in the same way in future.

2398. Is there no remedy in this particular case?—I think not; the Colonial Act is in conflict with the Imperial Act. But I may mention as an extenuating circumstance, that supposing his service was in an unhealthy climate (I do not know whether the place where he was stationed would reckon as an unhealthy climate), such service would count at 50 per cent. more than service in this country.

2399. Then with respect to Mr. Patrick Lynch, late Clerk of the Works in the General Prisons Board (Ireland), the Comptroller and Auditor General points out that by throwing two periods

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Mr. HAMILTON, C.B., and Sir C. L. RYAN, K.C.B.

[Continued.]

APPROPRIATION ACCOUNTS—Class VI.

Vote 1.—Superannuation and Retired Allowances—continued.

Chairman—continued.

of service together, which were separated by an interval of 18 years of non-pensionable service, and making an addition of 10 years under Clause 7 of the Superannuation Act of 1859, this officer is pensioned for the first portion of his service at the higher rate of salary, and receives a total pension of 103 l. 6 s. 8 d. instead of two separate pensions amounting to 74 l.; have you any explanation to offer with regard to this?—I do not quite understand what the Comptroller and Auditor General means when he speaks of “special exercise of authority” on the part of the Treasury. It is the ordinary practice for the Treasury to treat two broken periods of established service as one, unless it is broken by the act of the individual himself.

2400. What the Comptroller and Auditor General calls attention to, I think, is the Act of Parliament; he points out that legally the man was only entitled to two separate pensions amounting to 74 l.?—I do not see why we should treat two broken periods separately. If, for instance, I was to be sent out to-morrow to the colonies for five years, the Treasury would not calculate my pension up to 1889 as one period, and then if I came back five years hence, take my service on from 1894 to my retirement separately; but they would take it all as one period.

2401. But in this case there are 18 years interval?—No doubt, but it might be so in the colonies; I do not quite see the point of the Comptroller and Auditor General. (Sir C. L.

APPROPRIATION ACCOUNTS—Class VI.

Vote 1.—Superannuation and Retired Allowances—continued.

Chairman—continued.

Ryan.) I do not remember any case exactly like this where there had been an interval of non-pensionable service, although the service is treated as continuous. Usually speaking, a break in the service acts to the detriment of the individual, but in this case it has not done so. It seems that it would require some distinct authority for treating it as it has been treated.

Mr. Jackson.

2402. It seems to be a case that stands by itself?—I do not remember any case exactly like it. (*Mr. Hamilton.*) I believe we never treat broken periods separately; they are always pieced together as it were.

Mr. Barran.

2403. Do you know anything of the nature of the work which this man did?—No; I am not acquainted with the circumstances.

Chairman.

2404. Can you tell me what was the nature of the non-pensionable service that he performed for this 18 years?—Between 1860 and 1878 his service was under the Board of Public Works, Ireland. He was clerk of the works, but employed in such a way, apparently, as did not carry pension.

Mr. Jackson.

2405. It was continuous service in Government employment?—Yes, but part of the service was not pensionable.

CLASS VII.—MISCELLANEOUS.

On VOTE 4.

CELEBRATION OF THE JUBILEE OF HER MAJESTY'S REIGN.

Mr. HENRY WILLIAM PRIMROSE, C.S.I., re-called; and further Examined.

Chairman.

2406. THERE seems to have been a practice of giving Messrs. Banting and Sons a monopoly of works on occasions of exceptional preparations for public ceremonials; why has this monopoly been given to them?—This was the first occasion of this kind upon which the Office of Works took any share in that particular part of the preparation; hitherto it has been always directly been under the Lord Chamberlain. In 1872, for instance, on the occasion of the Thanksgiving Service at St. Paul's, there was a separate Vote taken, for which the Lord Chamberlain accounted. The monopoly has been practically granted by the Lord Chamberlain's Department; they have always employed Messrs. Banting in connection with the Palaces on occasions of this kind. Although the matter was put under us for the purpose of arranging the work, the arrangements had to be made to the satisfaction of the Lord

Chairman—continued.

Chamberlain; it was impossible really to decide beforehand exactly what those arrangements would be, and it was agreed that Messrs. Banting should be employed as usual.

2407. Would it not be better, if further occasions of this kind should arise, that there should be competitive estimates as suggested by the Comptroller and Auditor General?—As a rule these things have to be done in a very great hurry. It is very difficult to know beforehand what is to be done, and it would be very difficult to obtain competitive tenders unless you can define exactly what the work is. In this particular case the arrangements underwent alterations from time to time, even up to the last moment.

2408. Still, as regards the main preparation in the Abbey, they went on for a long time; could not estimates have been framed beforehand for the largest part of the expense, and competitive

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Mr. PRIMROSE, C.S.I.

[Continued.]

APPROPRIATION ACCOUNTS—Class VII.

Vote 4.—Celebration of the Jubilee of Her Majesty's Reign—*continued.**Chairman—continued.*

petitive tenders invited?—I think it would be possible perhaps to select three or four firms that one could trust to do the work; it had to be done with absolute certainty by a given day, and therefore one would have to exercise considerable care in the selection of the firms. I do not think that there would be any serious objection to inviting tenders from three or four of the best firms.

2409. I see that although your Department stated that it was the practice to allow Messrs. Banting such prices for time and materials as are fair and reasonable, their account was actually too large by 350 *l.*, and was abated to that extent?—What we did was this; we agreed beforehand with them on a schedule of prices for material and time. I have not got the actual account here; but I remember the principal difference between us on their bill was that they had omitted as the work went on to charge for the time of the people employed at the shops; they had only put down in the time-list the people actually employed in the Abbey, although, as a matter of fact, they had a great number of people working in their shops; therefore when they came to send us the final bill, they included the people working in the shops. Those figures had not been checked as the work went on, and we objected to that charge as a matter which we could not then check, and in the end we compromised the matter by reducing the amount considerably. We had to admit that it was a fair charge, only we had not the means of checking it so exactly as we ought to have had.

2410. You mean that it was fair to make some charge for the work in the shops?—It was fair to make some charge, and we cut it down very considerably.

2411. Then the Comptroller and Auditor General calls attention to the great loss which was incurred in the sale of materials; he especially mentions some Maltese lace and Nottingham net, which cost 275 *l.* 8 *s.*, and points out that Maltese lace and Nottingham net, which corresponds apparently to that in Messrs. Banting's bill (whether it was the same or not does not appear), was sold for 8 *l.* 9 *s.*; can you explain that?—It was practically almost worthless when it was taken down. It was used in the decoration of the retiring rooms for the Queen and Royal Family, and it all had to be cut into small pieces, and it was sold (as the rest of the things were) by public auction.

2412. Were you satisfied on the whole with the results of public auction?—I think the prices, considering the condition in which the things were, were fair.

APPROPRIATION ACCOUNTS—Class VII.

Vote 4.—Celebration of the Jubilee of Her Majesty's Reign—*continued.**Mr. Barran.*

2413. Was the condition of the things very bad?—The carpet was cut into small pieces and the matting had been cut to shape, and was very much frayed, and the coverings of the seats were practically worthless. We used an inferior material, and when it was taken off it was really worth very little.

2414. Did Messrs. Mowlem and Company work under schedule prices?—Yes, they worked, if I remember rightly, according to the prices in our ordinary schedule of works and repairs.

2415. You fixed the prices in the schedule for them to work to, as I understand?—In the case of that work we did have competitive tenders; we invited four firms to compete, and they tendered upon the basis of the schedule for ordinary works and repairs.

2416. May I ask if it is your usual plan in the schedule of prices to fix the standard of price for the contractors?—In a case of this sort, when we invite tenders, we take our schedule as the standard on which they are to tender. They then tender to it and work at so much per cent. off it; it represents a standard, and the competition shows which firm will take off the largest discount.

2417. That is to say, if, for instance, you fix a price for certain timber at so much a foot, then they tender at so much less a foot?—Quite so.

2418. Do you consider that a good plan?—Yes, I think it would be difficult to adopt any other plan except in the case of a building, where you have definite plans to carry out; in this case we were not able to give a specification beforehand of what would be done precisely; we could not take out quantities, for instance.

2419. But could you not have given to them a specification of certain timber which would be required, and then ask them to fix the price at which they would do the work?—No, I do not think we could have done it in the time. It was a thing we had never done before, and we really did not know until we began precisely what galleries were required to be made, and we could not have told them what amount of timber of different sizes would be required.

2420. Although you did not know the quantity, would it not have been more in the usual course if you had asked them to name the price for certain timber of certain sizes instead of your fixing the price and getting the discount off?—We could have given them our schedule in blank without the prices, and asked them to fill up the prices no doubt; but that makes it very difficult to compare the different tenders.

2421. Because you do not know the quantity you require in each size?—Quite so.

[The Witnesses withdrew.]

Wednesday, 26th June 1889.

MEMBERS PRESENT :

Mr. Barran.
Sir Walter Barttelot.
Mr. Sydney Buxton.
Mr. Jackson.
Sir Ughtred Kay-Shuttleworth.

Sir John Lubbock.
Mr. Arthur O'Connor.
Sir Richard Temple.
Mr. Wodehouse.

SIR UGHTRED KAY-SHUTTLEWORTH, BART., IN THE CHAIR.

CIVIL SERVICE APPROPRIATION ACCOUNTS, 1887-88.

MR. EDWARD W. HAMILTON, C.B., and Sir CHARLES LISTER RYAN, K.C.B., re-called;
and further Examined.

CLASS II.

SALARIES AND EXPENSES OF CIVIL DEPARTMENTS.

On VOTE 24.

STATIONERY AND PRINTING.

MR. THOMAS D. PIGOTT, called in; and Examined.

Chairman.

2422. (To Mr. *Pigott*.) ON Sub-head A., I see that an explanation of an excess of nearly 200 £ is given, as being "mainly owing (a) to the employment of extra copyists, consequent on the decision of the Treasury, that detailed Estimates should be given, in advance, of the cost of printing and stationery for each Public Department; and (b) to the growth of work," and so on; how much has that requirement as to detailed Estimates cost your Department in this way?—I am sorry that I cannot answer the question straight off. We were obliged to employ one or two copyists extra for a time. It will not cost as much in future.

2423. It cost more the first year, I understand, than it will do in the future?—It will not cost as much in future as it has for the first year.

2424. Speaking from memory, could you say how much of that excess was due to that?—Speaking from memory I should say, perhaps, it would be about half the amount; that is an outside and very rough estimate.

2425. How much do you think it would cost in future?—We have so arranged the books now that I think we shall be able to give it almost without extra cost.

2426. And there will be advantage gained in giving the Estimates for each Public Department?—I believe that in the opinion of the Committee there will be advantage in it. The object was that, at the time the House had under consideration the expenditure of each office as provided in its own Votes, it should know as far as possible what sum was provided in other Votes also.

2427. (To Mr. *Hamilton*.) Do you attach im-

Chairman—continued.

portance to these Estimates?—They were completed with the view to meet the supposed wishes of the House of Commons. Several Members of the House of Commons, when the Estimates were under discussion, thought that it would be a great improvement if this sort of information was given.

2428. What is the view of the Treasury about the matter?—It entails some trouble, of course, upon the Treasury; these estimates of expenditure under other Votes are no doubt useful; we should have been content with the old system of having the information appended to the Report of the Comptroller and Auditor General, as has hitherto been the case.

Sir Walter Barttelot.

2429. Then it would have been absolutely impossible, would it not, to see which of the different Departments was exceeding the expenditure which had accrued to that Department the year before, unless you have some statement from each Department of the amount which they have spent in stationery?—Yes; that would be so, as regards stationery. (Mr. *Pigott*.) Perhaps I might explain that the expenditure for three years past had been given before this further estimate of the amount which would probably be spent in the coming year was given. The House of Commons had thus for some years had the means of comparing the figures to see whether the expenditure of such and such an office for stationery was increasing or decreasing; because, appended to the estimates of the Stationery Office, there was a return of the expenditure of each Department for three completed years.

2430. Then

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Mr. PIGOTT.

[Continued.]

APPROPRIATION ACCOUNTS—Class II.

Vote 24.—Stationery and Printing—*continued.**Chairman.*

2430. Then the only addition was in the detailed Estimates as regards the future expenditure?—Yes.

Mr. Sydney Buxton.

2431. The cause of the excess is here divided into two parts, A. and B.; how much do you attribute to A., and how much to B.?—I have not worked it out; but it would be an outside estimate if I were to say that half of it was caused by the employment of the extra copyists.

2432. And part of that again in future would not require to be expended?—We have so arranged a slight alteration in the way in which the books are kept, that I think we shall be able to give it without any appreciable increase in the expenditure.

2433. Then the extra cost, as I understand, will be about 50 l. a year?—Not more than that.

Chairman.

2434. As regards Sub-heads E. and F., I observe there is a large excess on Sub-head E., and a large saving under Sub-head F.; is that owing entirely to the difficulty of making the Estimates?—Practically it is. For all practical purposes the five sub-heads grouped together in the explanatory notes must be considered as one; it is a mere question of allocation. The total of these sub-heads comes very nearly to the amount spent. The variations are owing to the difficulty of dividing it up to a great degree, but not entirely. For instance, there is a large saving on Sub-head F., "Paper for Public Departments;" that is an actual saving. We spent less than we expected, because it so happened that in that year the prices of paper fell to the lowest point they have ever been at.

2435. Then as regards the excess of 8,732 l. on Sub-head E., how came so large an excess to be incurred in regard to "Printing for Public Departments"?—In making these estimates it must at the best be almost guess work; and when one comes to make an estimate beforehand to an amount of nearly 200,000 l., it is very difficult indeed to hit the right amount; and I may say we are rather urged if possible to avoid the necessity of a Supplemental Estimate; and in that case it went a little beyond it.

Mr. Jackson.

2436. I do not follow what bearing that answer has upon the particular sub-head which we are dealing with?—I was explaining how it was that we took an estimate of 193,732 l., which was 8,732 l. more than we actually required, and I said we had been warned to take care that we did not err upon the other side. That is all I meant to say.

Mr. Sydney Buxton.

2437. Have you done that on any other items besides these, that is to say, have you over-estimated your requirements to avoid Supplementary Estimates?—It is impossible to make an exact estimate.

0.60.

APPROPRIATION ACCOUNTS—Class II.

Vote 24.—Stationery and Printing—*continued.**Mr. Sydney Buxton—continued.*

2438. You appear to err on the right side, so to speak, in other cases; as for instance, in Sub-head J., where there is a saving?—I am afraid that in my previous answer I have made a mistake. Attention is called in the Appropriation Account to two printing items, in which the expenditure differed from the estimate; on the one, Sub-head E., "Printing for Public Departments," we under-estimated our requirements; on the other, Sub-head J., "Printing, &c., for the two Houses of Parliament," we estimated above our requirements. It was to the latter that I should have referred in reply to the last question of the Chairman.

Mr. Jackson.

2439. That is why I said I did not understand your answer?—I mistook the item; I thought we were speaking of one in which we had over-estimated our requirements.

2440. Your answer, I presume, would rather be that in that case you are cut down by the Treasury too low?—In this case it would be so.

Mr. Sydney Buxton.

2441. Do I understand that you have instructions from the Treasury that you are rather to over-estimate than under-estimate your requirements in order that Supplementary Estimates may be avoided?—We have been told more than once that the House of Commons is very unwilling to consider Supplementary Estimates, and that it is very desirable that we should make estimates which would cover expenditure, instead of coming again for a Supplementary Estimate.

Mr. Jackson.

2442. When you are asked by the honourable Member whether you have any instructions from the Treasury to make extra provision, is your answer that you have had instructions from the Treasury to make provision beyond the requirements of the service?—Certainly not; but what I wished to say was, that we have been again and again told that we are to avoid, if possible, Supplementary Estimates. Where an office has not the complete control of the expenditure it must be to a great degree a matter of guess whether on any particular sub-head such a sum as 200,000 l. may be 10,000 l. too little or too much.

2443. Your Department would not vary from other Departments, I presume, in this, that you would be desirous to have a sufficiently large provision made so that there should be no Supplementary Estimates?—We should always wish it.

2444. Looking at it from the Chancellor of the Exchequer's point of view, that would be rather the contrary of what he would desire, would it not?—Yes; we have cases where our estimates have been cut down.

2445. His view, I presume, would be that it is not desirable to make provision in excess of actual requirements, and thus have to provide a larger amount out of the taxpayer's pocket than is necessary in the year?—That is quite true;

but

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Mr. PIGOTT.

[Continued.]

APPROPRIATION ACCOUNTS—Class II.

Vote 24.—Stationery and Printing—continued.

Mr. Jackson—continued.

but at the same time we have been warned to avoid, as far as possible, coming for Supplementary Estimates.

2446. I suppose you know that Supplementary Estimates are regarded as undesirable, not only by the Treasury but also by the House of Commons?—It must not be supposed that I am finding fault with the present state of things. I merely mention that we have been warned to avoid Supplementary Estimates.

Mr. Sydney Buxton.

2447. Are these instructions of recent date?—We have not had a Supplementary Estimate till this year for three years.

APPROPRIATION ACCOUNTS—Class II.

Vote 24.—Stationery and Printing—continued.

Mr. Sydney Buxton—continued.

2448. When you speak of instructions to the effect that, so far as possible, special Supplementary Estimates are to be avoided, when do you date those instructions from?—More particularly about three years ago. The Stationery Office had had for a series of years Supplementary Estimates; and we were then told more than once that that was objected to, very naturally, by the House, and we were asked to avoid Supplementary Estimates as far as possible.

2449. As a matter of fact, your estimate was extraordinarily close to your expenditure?—I think so, taken as a whole.

[Mr. Pigott withdrew.]

CLASS IV.

EDUCATION, SCIENCE, AND ART.

On VOTE 1.

PUBLIC EDUCATION, ENGLAND AND WALES.

Mr. PATRICK CUMIN, C.B., called in; and Examined.

Chairman.

2450. As regards the number of girls who have qualified for the South Hackney, London Fields, Board School, for the grant for cookery, there seems to be a discrepancy between the statement of the managers in their answer on Form IX., and the Report of the Inspector: and I do not find that any adequate explanation of that discrepancy has been given to the Comptroller and Auditor General; perhaps you will furnish that explanation to the Committee?—There is no discrepancy, if I may say so.

2451. There seems to be a difference as between 34 and 30?—Yes; but the 34 does not refer to persons taught. The 30 refers to persons taught. They refer to totally different things.

2452. It seems, according to the statement in the Report of the Comptroller and Auditor General, that “the inspector reported that 34 girls had attended for the requisite number of hours at cookery class; but the managers, in answer to the question on Form IX., ‘If cookery is taught to what and how many scholars,’ replied that it had been taught to 30”?—But being taught is not the same thing as attempting a class; we know that “taught” means satisfactorily taught. Fifty girls might attend a class, and comply with all the conditions, but be most ineffectively taught. There is no connection between the two things; being taught and complying with the conditions are not the same thing.

2453. But in this case the payment seems to have been made on the 34, of whom, according to your explanation, four had not complied with the condition that they had been taught?—I beg

Chairman—continued.

your pardon; you misunderstand me; the 34 had all complied with the condition. There is no condition as to being taught at all; that is not a condition of the Code. The Code says this, if I may read it: “Where the inspector reports that special and appropriate provision is made for the practical teaching of cookery, by teachers holding a certificate from some training school of cookery, recognised by the Department, a grant of 4s. is made on account of any girl presented for examination in elementary subjects in the 4th or any higher standard, who has attended” (not who “has been taught”) “not less than 40 hours during the school year, at a cookery class of not more than 24 scholars, and has spent not less than 20 hours in cooking with her own hands.” It is quite obvious that there might be 34 girls who complied with these conditions, and who yet had not been taught effectively at all.

2454. Why should there be a payment made upon those cases?—Because they have complied with the conditions of the Code.

Mr. Barran.

2455. They have given the attendance required?—Yes; the reason is this, to test whether they are taught requires of course an examination; but to examine all the children in cookery would be a most expensive and impossible thing at present; and therefore a totally different test has been applied, namely, to ask, “Have you attended a certain time under a teacher?” Whether the children are taught or not is immaterial for that purpose. It is a well understood distinction, I think.

2456. That

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Mr. CUMIN, C.B.

[Continued.]

APPROPRIATION ACCOUNTS—Class IV.

Vote 1.—Public Education, England and Wales
—continued.

Chairman.

2456. That explanation does not seem to have been given to the Comptroller and Auditor General?—I think it was. I will refer you to the explanation.

2457. If you look first at your reply dated the 16th of November 1887, the reply is simply "The payment for cookery is not made upon the managers' return, but upon the report of Her Majesty's inspector, nor indeed does the return of the managers refer to the same state of facts as that furnished by Her Majesty's inspector." Would it not have been better to send a reply, giving the explanation you have now given to the Committee?—I should have thought that that reply was quite enough; because it ought to have been observed, as it seems to me, that "being taught" and "attending" are not the same thing; I assume that the Comptroller and Auditor General would understand what I meant by saying they did not refer to the same state of facts. The Code asks, "Have you attended under a particular teacher?" and if they answer "Yes," that is enough. Then any contradiction as to having been taught is immaterial. If you will be good enough to look at the reply dated the 20th of December 1887, it is really explained there. "The answers given do not seem to be understood. The inspector alone has given an answer to the question on Form X., which must be answered in order to enable the Department to pay the grant. The statement of the manager is no answer to the question referred to in Form X., nor does it contradict the inspector's report; nor would the manager's statement have enabled the Department to pay any grant. There is no sort of evidence to show that the inspector has made any mistake, and the Departments are satisfied that his answer is correct." There is no relation between the two questions. If I might explain how it arose, the fact is, the managers' return was simply handed on from the old form, and we never look at it.

2458. Then I perceive at the end of that letter you append this sentence, which you have not read: "It does not appear upon what grounds the Comptroller and Auditor General assumes that the Departments have failed to make all necessary inquiries, even including an inquiry of the inspector himself." Is that quite a proper answer to make to the Comptroller and Auditor General when he is discharging his duty, and endeavouring to ascertain whether a payment has been made properly or not?—If I may be allowed to say so, I think that the great object of a Department is economy; and if a Department is compelled to answer a great many irrelevant questions, and to keep a great number of persons employed in answering questions which are irrelevant, it is a waste of public money and time.

2459. That is raising the whole question of whether the Education Department likes having the present system of audit; we cannot go into that?—I did not mean that.

0.60.

APPROPRIATION ACCOUNTS—Class IV.

Vote 1.—Public Education, England and Wales
—continued.

Chairman—continued.

2460. Whatever you may have meant, I think you suggested that a large number of officers were employed in answering a number of irrelevant questions; I think that is a suggestion hostile to the whole system of audit, and I think the Committee will decline to go into that question with you. The question is, whether this is the way in which the Comptroller and Auditor General should be met by a Department when he asks a question with respect to the authority under which a certain payment has been made; when you add that, "The Comptroller and Auditor General assumes that the Departments have failed to make all necessary inquiries;" is that a necessary answer to make?—I merely stated that as a fact. It is to be assumed, I should submit, that when a Department declares itself satisfied, the Department has made every inquiry. I did not mean anything more than that. It seemed to me to be clear that the two questions were perfectly distinct; and it seemed to me therefore that my answer originally was perfectly sufficient. That is the reason I venture to say that.

2461. (To Sir C. L. Ryan.) If the explanation with respect to the four girls which has now been given to the Committee had been given to you, would you have had any remark to make upon it?—I think certainly not. I clearly did not understand that there was the distinction which has been drawn between the managers' statement and the inspector's statement; and had it been explained, as I think it might have been originally, the Committee would not have been troubled with this paragraph at all. (Mr. Cumin.) I am very sorry I should have been so far misunderstood; but I certainly thought my statement and my reply of the 16th November, that the return of the managers did not refer to the same state of facts, was sufficient. I was never asked for any further explanation as to the distinction between "teaching" and "attending." If I had been asked, I should have at once given a fuller explanation.

2462. (To Mr. Cumin.) As regards paragraph 4 of the Comptroller and Auditor's Report on this Vote, I will first of all ask you whether it is usual for a Department to attempt to shift its responsibility on to the Comptroller and Auditor General, by making a payment, and then saying that if the Comptroller and Auditor General objects to it as an irregular and improper payment, and his decision shall be sustained by the House of Commons, the amount would have to be repaid?—I do not understand that either the Lord President of the Council or the Vice President, who decided this case personally, intended to shirk responsibility at all. They decided that to make the payment, subject to the opinion of the Comptroller and Auditor General; and in order that the Treasury might not possibly lose, in the event of the Lord President and Vice President being wrong, they took the precaution of getting a bond. It does not appear

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Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., and
Mr. CUMIN, C.B.[*Continued.*]

APPROPRIATION ACCOUNTS—Class IV.

Vote 1.—Public Education, England and Wales
—*continued.**Chairman—continued.*

appear to me that that is shirking responsibility.

2463. Do the Department accept full responsibility for the payment?—Most undoubtedly.

2464. (To Sir C. L. Ryan.) Has any case arisen in your experience where a Department has made a payment in this way, and communicated to those to whom the payment was made, that they would require repayment of it if the Comptroller and Auditor General reported it as an irregular and improper payment, and his decision was sustained by the House of Commons?—I do not think I can remember any case in which any such condition has come to my knowledge.

2465. (To Mr. Cumin.) Then with regard to the merits of these payments it seems that the failure on the part of the managers was to obtain the approval of Her Majesty's inspector to the time table?—That is hardly how I should put it. The approval they thought that they had obtained, but the technical signature of the inspector they did not obtain. It was merely the technical point that he did not put his name to the time table.

2466. On the whole, with respect to the time table, I presume it is not objected to; it seems to go further in the interests of education than time tables usually do?—It included certain subjects, and that was supposed to be not according to the Code; but the time table itself would have been signed by the inspector, and Mr. Barnett would no doubt have applied to do so, if he had not supposed, from a misconception of a letter of ours, that it was not necessary.

2467. On the whole the school was well-deserving, owing to its provision for education, of this payment of 159 l. 19 s. 8 d.?—I think so.

2468. (To Sir C. L. Ryan.) Under these circumstances, and after these explanations, would you press your objection to the payment of the grant?—My objection is necessarily taken, because of the technical irregularity of the payment, but I have nothing to press beyond the technical objection.

2469. (To Mr. Cumin.) I omitted to ask you, why did not the Education Department apply to the Treasury in the usual way for authority to make a payment which was not strictly regular under the letter of their regulations?—Because I have always understood the first question was, Can we make the payment or not? We thought we could, and the Lord President and the Vice President thought so too, and therefore it was not necessary to apply to the Treasury. I may say this was a new case.

2470. Is not this rather like an application to the Comptroller and Auditor General, and the House of Commons, to discharge duties which are really the duties of the Treasury?—I do not understand it as asking him to discharge any duties. It was simply this, the Lord President decided that we might make this payment; but

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—*continued.**Chairman—continued.*

inasmuch as it was a very difficult case if we should be afterwards overruled, we took security that the Treasury should not lose the money. That is the whole of the matter; there was no shirking of responsibility. We do not wish to ask the Comptroller and Auditor General to decide the matter for us; we have decided it for ourselves.

2471. (To Mr. Hamilton.) What would be the view of the Treasury as to what is the regular course to take in such a case?—I should have thought, as this was admitted by Mr. Cumin to be a very difficult case, the circumstances might have been represented and explained to the Treasury, unless it be held to be purely an administrative question. Certainly the present arrangement, as it presents itself here, seems to be rather an extraordinary one to have made.

Mr. Wodehouse.

2472. (To Mr. Cumin.) Is this bond for the repayment of the money a very exceptional proceeding?—On the contrary; in order to prevent the Treasury losing, we use it not infrequently. We say, this is a doubtful case, and in view of the possibility that we may or may not, be right in our decision, in order to prevent the Treasury losing, we say to the payees, you had better give us a bond, so that the Treasury may not lose. It seems to be merely a protection to the Treasury, and I cannot conceive any objection to it. This is the first case of this kind that has ever occurred. I may perhaps venture to read the view of the President (Viscount Cranbrook) as expressed in this letter: "I hope that in the present circumstances the Auditor may see his way to allow payment for all who have earned money by passing and by attendance. The time table was not signed, and in the form in which it was drawn could not be nor can it be approved now. Strictly, therefore, the refusal to pay the grant is imperative under the Code, and it does not appear that either the President or Vice-President or both combined have authority to order payment of the grant in such a case. If the managers give security to repay it in case of disallowance by the Auditor, I think that possibly the advance might be made on that condition, but further than that I cannot go. (signed) C., Lord President, 19 August 1887."

Chairman.

2473. If the Lord President held that he had not authority to pay, was not the regular course for him to apply to the Treasury and obtain the authority?—I was not aware of that. If I had been, of course I should have done it; but he took the view I have expressed.

2474. That letter is a little inconsistent with the answer you made just now, that the Lord President took the view that it was a legal payment, and that he took the full responsibility of making

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—continued.*Chairman*—continued.

making it as the legal payment. It appears now from that letter that he held, that he had not really a legal authority to pay; in that case was it not the regular and proper course to apply to the Treasury and obtain that legal authority?—If that is the view of the Committee, I shall be very glad to follow it in future; but it was not the view taken, nor is it consistent with the view hitherto taken by the Treasury, as the Department understand the case.

Mr. Wodehouse.

2475. (To Sir C. L. Ryan.) Have you any objection to raise to the practice of taking a bond?—My business does not extend beyond the fact of a charge. The papers show that the charge was made subject to possible detection, and subject to the report of my Department, and I thought that was not a fair position in which to place the Comptroller and Auditor General, and therefore I raised that objection. The technical objection I should have been bound to take in any case. Inasmuch as this is a test audit, it is possible that it might not be discovered, and therefore it is not safe to rely upon the fact that the audit comes afterwards and it must discover it.

Sir Richard Temple.

2476. In regard to this expression in your Report, "Inasmuch as under these circumstances the payment of the grant is in violation of Section 7 of the Education Act of 1870," upon what ground do you say it is a violation?—It is in violation of the section of the Act, and of the Code also.

2477. How is it a violation of the Act?—The Act requires the time table to be approved. (Mr. Cumin.) It requires it to be approved, but it need not be in writing, I think. Section 7 says, "The time or times during which any religious observance is practised, or instruction in religious subjects is given at any meeting of the school, shall be either at the beginning or at the end, or at the beginning and the end of such meeting, and shall be inserted in a time table to be approved by the Education Department."

2478. Those words hardly appear to justify the statement that it is in violation of the Act: what has been read seems to refer only to instruction in religious subjects?—There is a view, no doubt, which some people maintain, that the section only affects instruction in religious subjects, and does not affect the rest.

Sir John Lubbock.

2479. Supposing that the Department had approved the time table, that would have been within their competence, of course?—Yes.

2480. Then you would consider this would have been a perfectly legal payment?—Yes, certainly.

2481. (To Sir C. L. Ryan.) You would add—

0.60.

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—continued.*Sir John Lubbock*—continued.

mit that, would you not?—Yes. (Mr. Cumin.) What we did was in consequence of the fact that the inspector did not sign his name to the time table; but he did approve, though not in writing.

Mr. Sydney Buxton.

2482. He did not approve, because it was questioned whether this particular form of instruction was a legal instruction?—The manager and an inspector both meant to approve the time table, but they did not formally intimate approval by writing.

Sir John Lubbock.

2483. (To Sir C. L. Ryan.) If you had known that they had approved of the time table, but not in writing, would that have met your view?—Possibly the technical objection might still be taken; but the whole question is merely a technical one as to the approval of the time table.

2484. There is no objection in substance, I understand, but it is simply a technical objection, on the ground of the want of formal approval?—Yes; without the formal approval, I gather from his minute which has been read, the Lord President himself considered that he had not the authority to make the payment.

Mr. Barran.

2485. If the time table had been signed you would be quite satisfied?—Yes.

Sir John Lubbock.

2486. What course do you think it would be proper under the circumstances for the Education Department to take; you would admit, I presume that it would be a very hard case for St. Jude's National Schools if they had been deprived of their grant?—The course that should have been taken in my opinion was that the Department should have reported to the Treasury that they were technically precluded from making the payment owing to the want of formal approval, and they should have asked the Treasury to give them covering sanction for what had been done.

2487. Do you consider that the approval must be an antecedent approval; I do not see that there is anything to that effect in the Act of Parliament?—The Department admit that they made an irregular payment. I would suggest that as it is admittedly an irregular payment they should have got the covering sanction of the Treasury. (Mr. Cumin.) We admit that we made the payment in a doubtful case, but according to the Act; it was a doubtful point, that is all.

2488. (To Sir C. L. Ryan.) If they could approve it themselves it would have been unnecessary for them to go to the Treasury, would it not?—In the paper that I saw, it was not their view that they could approve.

2489. I would ask you what is your view on the point?—My view is that they cannot technically

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[Continued.]

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—continued.

Sir John Lubbock—continued.

nically set aside an infraction of the Code like this by their own authority, without its becoming incumbent upon me to record the facts when the matter comes before me.

2490. But it was open to them to approve at any time, was it not?—I received no other communication from them in which they stated that upon reconsideration they approved, and therefore they thought that they had put themselves technically right. I do not know that any such action has taken place.

2491. Supposing that they had taken that course, would that have met with your approval?—If I could possibly have passed this payment as being technically correct, I should have been very glad to have done so.

[Mr. Cumin withdrew.]

On VOTE 2.

SCIENCE AND ART DEPARTMENT FOR THE
UNITED KINGDOM.

Chairman.

2492. (To Mr. Hamilton.) With regard to paragraph 2 of the Report of the Comptroller and Auditor General on this Vote, has a change been made, so as to make the payments in regard to drawing uniform in Scotland and in England?—Yes; the Scotch drawing grant is restored to the Science and Art Department Vote in the Estimates for 1889–90.

Vote 11 postponed.

On VOTE 14.

PUBLIC EDUCATION, IRELAND.

Chairman.

2493. (To Mr. Hamilton.) I see it has been arranged that in future the inspector shall give certificates as well as receipts for car hire in cases like those alluded to in the 2nd paragraph of the Report of the Comptroller and Auditor General?—That is the case. I had a communication from Sir Patrick Keenan, and he told me that certificates would in future be required to certify that the charges made by the inspectors are “just and true;” those are the words of the certificate, I think.

2494. (To Sir C. L. Ryan.) Are you satisfied that under those circumstances these irregularities are less likely to occur?—Yes, I think so, certainly.

2495. (To Mr. Hamilton.) With regard to paragraph 6 of the Comptroller and Auditor General's Report, can you give any explanation of the circumstances under which a half year's

APPROPRIATION ACCOUNTS—Class IV.

Vote 14.—Public Education, Ireland—continued.

Chairman—continued.

salary of 13*l.* 10*s.* to an assistant teacher was improperly authorised?—I am informed that the reason why the falling off referred to here took place in the attendance was an epidemic; it was thought that the prescribed daily attendance would be resumed as soon as the epidemic was over, and the case would be met by the rule which provides for the continuance of the salary, when there is evidence that the reduction of attendance was only temporary and due to exceptional causes. I am now stating what the view of the Education Office in Ireland is, as gathered from the communication I have had with them. As the Committee are aware, this disallowance has been supported by the Treasury, and therefore I have nothing further to say from the Treasury point of view.

2496. (To Sir C. L. Ryan.) Under these circumstances of an epidemic causing the theory to be entertained by the Education Department that the attendance of the school would be greater than it actually was, and that they might properly employ an assistant teacher, would not it be a little hard to recover from the teacher the amount paid to him in error, presuming that the teacher had actually performed these services for which he was paid?—That I think is rather a question for the Treasury to decide than for me. The Education Department appealed to the Treasury against the disallowance, and the Treasury confirmed it. I think that the extenuating circumstances, so to speak, are rather matters for them to consider than for me.

2497. You are bound to call attention to an irregularity of this kind; and in the case of extenuating circumstances you think the Treasury might consider them?—Yes; the act was a breach of the Commissioners' own rules, and therefore of course there was no option on my part but to call attention to it. The Commissioners themselves stated their own case to the Treasury, who came to the conclusion that this was not a proper payment.

2498. (To Mr. Hamilton.) Would it not seem to be going a little far to require the repayment of the 13*l.* 10*s.* paid to the teacher for services actually rendered?—If you ask me for my personal opinion, I may say that I think it was a very hard case.

2499. From paragraph 7 of the Comptroller and Auditor General's Report, it seems that duplicate payments have been made in some cases to the same pupil; have any means been taken to prevent this in future?—A new rule has been made which will prevent duplication of payments in future, as stated by the Comptroller and Auditor General in his Report. I have got a long explanation of the matter from the Public Education Office, Ireland, but I do not think it is necessary to trouble the Committee with it.

2500. It appears in paragraph 9 that numerous cases have been discovered where pupils have been

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[Continued.]

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Vote 14.—Public Education, Ireland—*continued*.*Chairman—continued.*

been presented for examination and results fees paid to teachers in the same class as that in which they have previously earned fees; has this subject been under the consideration of the Treasury?—Not of the Treasury, so far as I am aware; but I have been assured by Sir Patrick Keenan that all means practicable have now been adopted to prevent the payment of fees to the same pupils in the same class of subjects, and a special column has been introduced in the marking paper in which the teachers are required to enter the former school of each pupil. Sir Patrick Keenan is very confident that very few cases will be in future undetected.

2501. As regards the case of Castle Island, which was alluded to last year, I understand that the teacher has been severely reprimanded?—That is so.

ON VOTE 17.

NATIONAL GALLERY OF IRELAND.

Chairman.

2502. (To Mr. Hamilton.) Have you any explanation to give on behalf of Mr. Doyle as regards the delay in the transmission of the accounts?—A letter has been addressed by Mr. Doyle to the Treasury which he hopes may be submitted to the Committee of Public Accounts; and with their permission I will read it. He says: "I hope I may be allowed to say a few words for your information, and for that of the Public Accounts Committee, in answer to the severe remarks of the Comptroller and Auditor General upon my account, in his Report for the year 1887-88, which you were good enough to send me. I read those remarks with some surprise, especially that as to the 'numerous errors in the monthly and cash accounts,' a surprise that was not diminished upon referring to the 'queries and observations,' which as you are aware deal with such matters in a very minute and searching manner, received from the Audit Office during that year. I find that they were nine in number. Two of them

APPROPRIATION ACCOUNTS—Class IV.

Vote 17.—National Gallery of Ireland—*contd.**Chairman—continued.*

have reference to vouchers for two of my journeys to London; they point to no mistake, but require me to give the hours at which I started from Dublin and London. A third has reference to the refund of sixpence in connection with a similar voucher in a former year. Two more ask the date of a porter's death, and that of the appointment of his successor. One requires certificates of accuracy to be inserted upon some tradesmen's bills. And two more relate to the purchase of an autograph manuscript (a novelty), and settle the schedule in which it is to be placed. In none of these is there any mistake pointed out. I admit, however, that I am responsible for one somewhat serious mistake, an over-payment of 6 l. 4 s. 2 d. made in March, but it was found out and rectified before the account was sent in to the Audit Office. It is explained and apologised for in a letter, a copy of which I enclose. I also enclose a copy of the letter from the Audit Office, which will explain the extent of the mistakes in the Appropriation Accounts to which the Comptroller and Auditor General alludes. With regard to the delays in sending in the monthly accounts these were generally due to my frequent absence from Dublin on the business of the Gallery in the early part of the financial year, and to difficulty in getting meetings of the Finance Committee of the Board who have to examine the accounts, owing chiefly to absence of its members in the country at that season, on my return. These were the reasons of the long delay in sending in the accounts of the first three months of the year in question. They were only sent on the 6th of September. After that the list of dates, which I enclose, does not, I think, show any other very serious delay. These delays will be avoided in future, because it has been settled that when necessary the Finance Committee may meet in my absence. In conclusion, I venture to hope that upon considering this explanation neither you nor the Committee will think me deserving of such severe and public censure as that of the Comptroller and Auditor General. I have the honour to be, Sir, your obedient servant, (signed) *Henry Doyle*."

CLASS V

FOREIGN AND COLONIAL SERVICES.

ON VOTE 1.

DIPLOMATIC SERVICES.

Sir FRANCIS BEILBY ALSTON, K.C.M.G., called in; and Examined.

Chairman.

2503. (To Sir Francis Alston.) I see that there is another charge of 5,029 l. 8 s. in connection with Sir Henry Drummond Wolff's Special Mission on Egyptian affairs; I suppose we may 0.60.

Chairman—continued.

conclude from your evidence last year that this is the final payment?—This is the final payment.

2504. There has been a total expenditure 0 on

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[Continued.]

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Vote 1.—Diplomatic Services—*continued.**Chairman—continued.*

on this Mission, amounting to as much as 30,075 l. 8 s. 6 d. ?—Yes.

2505. Is not the charge of 216 l. 0 s. 10 d., referred to in paragraph 4 of the Comptroller and Auditor General's Report, for maintaining the Tehran-Meshed Line of Telegraph, a very peculiar charge to fall upon the Sub-head for "Special Missions"?—It was decided by the Treasury that the payment should be made, and the Treasury suggested that the contribution should be charged to the Special Mission Sub-head of the Diplomatic Vote, the Treasury agreeing with the Secretary of State that the maintenance of the telegraph line in question was required for British as well as for Indian interests.

2506. I did not intend my question to point to the theory that the expense should fall upon India; I was rather raising the question whether this is a proper Vote and Sub-head on which to charge the expense for a line of telegraphs?—It is held that the term "Special Services" comprehends almost anything that you choose to put into it of a diplomatic character.

2507. (To Mr. Hamilton.) Is that the view of the Treasury?—I do not know whether it would go quite so far as Sir Francis Alston suggests; but the Treasury considered the matter, and came to the conclusion that on the whole this was the most suitable Vote to which to charge it. The wire was put for what was essentially a diplomatic reason. Since 1887-88, I think, the Estimate explains it rather more fully, and says that it is a contribution to the Indian Government towards maintaining the cost of the Tehran-Meshed Line of Telegraph; so that now there is no objection on the score of the Vote not including it.

Mr. Sydney Buxton.

2508. (To Sir Francis Alston.) With regard to paragraph 7 of the Report of the Comptroller and Auditor General, which is a similar question to that raised in paragraph 2, who checks the expenditure on the Special Missions?—The chief clerk checks it.

2509. Are the vouchers sent on, and then checked at home?—They are checked at the Foreign Office.

Mr. Arthur O'Connor.

2510. I hardly know whether you wish to adhere to the words you used just now with regard to these Special Services as covering almost everything of a diplomatic character?—What I meant was that the term "Special Services" was of so general a character that there was nothing in the description of the Sub-head inconsistent with our charging the expenditure under that Sub-head. I did not wish to suggest that we might charge anything we chose to that Sub-head.

2511. There might possibly be an interpretation put hereafter upon the words used by you which might not be exactly the interpretation

APPROPRIATION ACCOUNTS—Class V.

Vote 1.—Diplomatic Services—*continued.**Mr. Arthur O'Connor—continued.*

you meant to put upon them, and I thought you might wish to qualify them in some way?—Quite so.

Chairman.

2512. On page 440, I see that there is a column in the table, the total of which is 2,510 l. 9 s. 10 d. for couriers; what does that mean?—Those are the messengers sent from Missions Abroad, either to this country, or to other missions. They are charged to this Vote, and not to the Foreign Office Vote, because they are couriers sent from Missions Abroad, and that Vote is charged with the expense of the courier who keeps up communication with Rome. We send our despatches for Rome by the Indian mail as far as Bologna, and the messenger runs between Rome and Bologna, and conveys those despatches to the Embassy and back again. We also charge to this Sub-head the expenses of messengers employed in keeping up communication with Bucharest and Belgrade, and other Missions Abroad, with which we do not maintain a direct communication, otherwise than by the Constantinople messengers. We have a Queen's messenger who runs between the Foreign Office and Constantinople, who drops the bags for Bucharest and Belgrade on his route, and these local messengers are employed in conveying the despatches between Pesth, where he drops them, and Belgrade and Bucharest, and back again.

2513. Taking the case of Rome, I see that 248 l. 18 s. 11 d. down under the head of couriers for Italy; is that the expense of the courier between Bologna and Rome?—Yes.

2514. Is not that a very expensive way of keeping up the communication?—We thought it very much cheaper than sending a messenger all the way from London, which was previously the custom. We had previously a service by Queen's messengers with Rome, and this system was adopted as an economy. The service between Rome and this country used to cost several hundred pounds a-year; and we think this is a cheap arrangement.

2515. Under the heads of several of the countries, I observe there is no charge whatever for couriers; for instance, China, Russia, and Japan?—We do not send messengers to China.

2516. You send messengers to Russia, do you not?—Yes; but they are Queen's messengers, whose expenses are charged to the Foreign Office Vote.

Mr. Sydney Buxton.

2517. In the case of the United States, how is it charged?—That is also charged to this Sub-head; there is a local messenger who runs between New York and Washington.

2518. I observe the charge is a large amount, namely, 378 l.; are there several couriers?—There is only one. This charge includes, besides the messengers' wages, the expenses of the journeys.

2519. Then,

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[Continued.]

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Vote 1.—Diplomatic Services—continued.

Sir Walter Barttelot.

2519. Then, as I understand, you entrust all these messages and papers, whatever they may happen to be, to public conveyance up to a particular point?—The Indian mail, of course, is in a sense a public conveyance; but it is a sealed mail in charge of one of our Post Office agents.

2520. You send under the charge of a Post Office agent all the way to Bologna, and then you have a messenger to whom this man gives the papers, I presume, or whatever there is in the bags, and then it is sent on to Rome?—Quite so.

2521. If you send it in that way to Bologna, why cannot the same parcel get to Rome in something of the same way?—There is no Post Office agent between Bologna and Rome; that makes all the difference. The despatches are in the custody of the Post Office agent between London and Bologna, and between Bologna and Rome they are in the custody of our local man.

2522. Who is the Post Office agent; does he go all the way to India?—No. He goes all the way to Brindisi and back again. There are two or three Englishmen employed in that service by the Post Office, whose expenses are charged to the Post Office Vote; and I take it that it is a perfectly safe route.

Mr. Arthur O'Connor.

2523. Bologna is a kind of junction on the line, in fact?—Yes; the Post Office agent goes on to Brindisi, and our local man takes the bags from Bologna to Rome.

Chairman.

2524. (To Sir C. L. Ryan.) Has this subject ever been under your notice?—It would not come within the scope of my duties.

Mr. Arthur O'Connor.

2525. (To Sir Francis Alston.) On page 441 I see an item of 541*l.* 8*s.* 8*d.* for the expenses of the Duke of Norfolk's Special Mission to the Pope; who is the Duke of Norfolk in the diplomatic world; has he ever been in the Diplomatic Service?—Not that I am aware of; he was the Special Minister for the occasion.

2526. Is there a representative of Her Majesty's Government at Rome?—There is.

2527. Why was it thought necessary to give the go-by to the accredited and established Ambassador, and send this gentleman, who does not appear to have been in the Diplomatic Service, to the Pope?—The Ambassador is not accredited to the Pope; the Ambassador is accredited to the King of Italy.

2528. At any rate the Duke of Norfolk was sent on a Special Mission to the Pope?—Yes.

2529. The amount charged is 541*l.*; can you tell me what the 541*l.* was expended in?—I have not got the details here; but I should apprehend it would be chiefly on travelling expenses, and expenses while the Duke was at Rome.

0.60.

APPROPRIATION ACCOUNTS—Class V.

Vote 1.—Diplomatic Services—continued.

Mr. Arthur O'Connor—continued.

2530. How long was he at Rome?—Some days.

2531. Can you give any approximate suggestion of the items which would by any possibility amount to 541*l.*?—I am afraid I have not got the figures here, and I cannot answer the question offhand.

2532. Do you know if his Grace went with a large retinue?—I do not think he had any extraordinary retinue with him. A Minister, or Ambassador, on a Special Mission, cannot go quite alone; he must have a certain amount of retinue with him; but so far as my recollection serves me it was not an unusual retinue.

2533. Do you know whether the Duke had more than a valet and a chaplain?—I cannot say whether he had a chaplain. He must have had a certain suite with him, as an Ambassador is bound to have, but I cannot say offhand what number the suite was composed of.

Sir Richard Temple.

2534. Had he not a secretary with him?—I have no doubt he had.

Mr. Arthur O'Connor.

2535. How would that amount be vouched?—As regards the railway service, of course, there would be no vouchers, but there would be vouchers produced whenever vouchers were possible; that the Audit Office would be quite certain to require.

2536. You do not happen to remember how it was?—It is some time ago now.

2537. I suppose besides the mere receipts for expenditure you would have some covering authority for incurring the expenditure; do you remember what the covering authority was?—There would be a letter from the Treasury, certainly.

2538. What were the terms of that letter; was there an amount limited, or was it a general credit?—That I cannot answer offhand, but the probability is that we either submitted an estimate of the probable expenditure, or else the sanction was given on the condition that the expenses should be kept down as low as possible.

Mr. Sydney Buxton.

2539. What is the usual course?—Whenever we can give an estimate beforehand the Treasury, of course, require it; but we cannot always do so.

2540. If you cannot give an estimate, do they limit it to a certain amount?—No; the Treasury have more trust in us than that. They give it on condition that the expenses should be kept down as low as possible.

Mr. Arthur O'Connor.

2541. Do you know what the business of this Special Mission was?—I really cannot say that I do; I may have some impression.

2542. Was it ever reported to Parliament?—That is a question I cannot answer.

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2543. (To

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Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B., and
Sir F. B. ALSTON, K.C.M.G.

[Continued.]

APPROPRIATION ACCOUNTS—Class V.

Vote 1.—Diplomatic Services—*continued.*

Mr. Wodehouse.

2543. (To Sir C. L. Ryan.) In the 6th paragraph of your Report on this Vote, you call attention to a gratuity of 500 *l.* paid to Mr. Willoughby Maycock, a clerk in the Foreign Office, and the Report goes on to say, that to avoid the inconvenience of creating a precedent, a certain arrangement was made; would you explain those words, as I do not find any correspondence appended on the subject?—The words were practically taken from the Foreign Office letter to the Treasury, of the 12th June 1888, in which there is this paragraph: "I am, however, to state that Lord Salisbury is fully sensible of the inconvenience of creating a precedent which may tend to increase the cost of future Missions, and his Lordship would submit, for the consideration of the Treasury, whether the payment might not take the form of a grant not exceeding 500 *l.* to be spent in gratuities connected with the Mission, at the discretion of the Secretary of State for Foreign Affairs. This would give effect in the way of precedent to the compensating circumstance of this Mission from a financial point of view, that though the gratuity is high the *personnel* employed has been very small." It was really the terms of the Foreign Office letter which were paraphrased in the Report.

2544. How was there an avoidance of precedent by taking this course; why may not this very course be pursued again?—I think perhaps Sir Francis Alston would be best able to answer that question. (Sir Francis Alston.) I think the meaning was that the Treasury recognised the service rendered by Mr. Maycock, who was a clerk of great ability, and a most promising young man, who had rendered great service to Mr. Chamberlain; Mr. Chamberlain was very anxious that that service should be acknowledged; but the gratuity proposed was in excess of what had been given on previous occasions; and Lord Salisbury, in recommending it to the Treasury, stated that it should not be regarded as a precedent to be followed on future occasions. That was the intention, and in order to avoid making it a precedent it was granted to

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Vote 1.—Diplomatic Services—*continued.*Mr. Wodehouse—*continued.*

the *personnel* of the Embassy, only the whole of it went into Mr. Maycock's pocket.

2545. He was drawing his full pay from the office the whole time he was absent, I suppose?—Yes.

2546. What was his salary at that time?—Between 300 *l.* and 400 *l.*

2547. He was absent from duty how long?—Five months.

2548. He was getting a salary of 300 *l.*, he was absent five months, and got a gratuity of 500 *l.*?—Yes.

Mr. Barran.

2549. In addition to having 200 *l.* for outfit?—Yes.

Mr. Wodehouse.

2550. It was a very unusual amount, was it not?—We have no exact precedent for such an amount being granted.

[Sir Francis Alston withdrew.]

On VOTE 6.

SOUTH AFRICA AND SAINT HELENA.

Chairman.

2551. (To Sir C. L. Ryan.) With respect to paragraph 7 of your Report on this Vote, do you hope to be able to get the accounts with regard to Bechuanaland fairly regular in future?—I think it will be so. There has been considerable delay, and we have not been able to communicate with the Accounting Officers in time to consider some outstanding points; but I have reason to hope that in future they will come in regularly without difficulty.

2552. On the present occasion you have found, I believe, a considerable number of cases which appear to be more or less unsatisfactory?—That is so.

2553. You will communicate on those points, I presume, with the authorities concerned?—We shall; and I hope we shall be able to settle them.

On VOTE 8.

CYPRUS (GRANT-IN-AID.)

Mr. FRANCIS R. ROUND, C.M.G., called in; and Examined.

Mr. Sydney Buxton.

2554. (To Mr. Round.) SEEING that the expenditure is less than the revenue in the case of Cyprus, what is the Grant-in-Aid wanted for?—The expenditure, including the payment of the Tribute, is much larger than the revenue.

2555. The expenditure is exclusive of the payment of Tribute?—Yes; the payment of the Tribute has been kept distinct from the ordinary

Mr. Sydney Buxton—*continued.*

expenditure, because the Tribute is really now paid back to another account in England and retained.

2556. Practically this grant of 18,000 *l.* is to make up the difference after including the Tribute between the expenditure and the revenue in the Island?—Yes.

[Mr. Round withdrew.]

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[Continued.]

APPROPRIATION ACCOUNTS.

REVENUE DEPARTMENTS.

On VOTE 2.

INLAND REVENUE.

Chairman.

2557. (To Mr. *Hamilton*.) I observe that under Sub-Head B. of this Vote are included certain payments to assistants of excise for removal expenses in excess of the hitherto authorised rate; I think a Committee has been appointed by the Treasury to consider and report upon the question of travelling allowances generally; will this matter now be put upon a proper footing?—The Committee has reported; and their report is under the consideration of the Treasury at the present moment. No official action has yet been taken on it; but I think it has been communicated already informally to the departments concerned.

2558. (To Sir C. L. *Ryan*.) In paragraph 4 of your Report you suggest that in all cases of losses by fraud which have been written off by the sanction of the Treasury particulars of the circumstances should be appended to the Appropriation Account. You attach some importance

Chairman—continued.

to that suggestion, I understand?—I think so. I think it is important that losses by fraud or default should not escape full publicity upon the ground that an estimate has been previously taken not for these particular cases, because they were not foreseen, but for similar cases it is perfectly easy to append a statement to the Appropriation Account which could be criticised, if necessary, showing how that particular sub-head has been used.

2559. (To Mr. *Hamilton*.) Do you see any difficulty in carrying out that suggestion; do you think that the Inland Revenue would be able to carry it out?—I see no objection to it, on the supposition that the statement of particulars is to be carefully worded, and is not to be in too great detail. (Sir C. L. *Ryan*.) If we were to scrutinise it the Committee would be quite certain that if anything seemed to be wrong the subject would be brought to their attention.

On VOTE 3.

POST OFFICE.

Mr. ALGERNON TURNOR, C.B., called in; and Examined.

Chairman.

2560. It seems that 50 l. 11 s. 10 d. was paid to a temporary messenger who was not appointed through the Civil Service Commission; have you any explanation to offer with regard to that case?—This officer was a retired officer. He had formerly been in the Post Office, and he was recalled to service after an interval, and employed as a messenger, and there was therefore no occasion to get him a Civil Service certificate.

2561. (To Sir C. L. *Ryan*.) What have you to say upon that explanation?—I think that the letter from the Exchequer and Audit Department had not been replied to at the time this Report written. It seems that this man has been recalled to service not as a redundant sorter, which he was before, but as a messenger, and the continuing him as messenger seems to raise the question of whether or not the establishment has been exceeded without Treasury sanction; but these questions, of course, were not really worked out in this Report from want of reply to the letter.

2562. Now that you have the reply, you propose to go into that question?—I propose to see now whether the payment is regular or not.

2563. (To Mr. *Turnor*.) The Comptroller and Auditor General calls attention to a system which seems to have been carried on for many 0.60.

Chairman—continued.

years at St. Martin's-le-Grand, of farming out the business of the Money Order Branch; how came it to pass that that system has been carried on during so many years?—I may say that this system is now discontinued; it was terminated in October last. The origin of it was that the Postmaster General of 1870 called in a well-known accountant, Mr. Chadwick, to examine the Money Order Office, and offer any suggestions. This gentleman recommended the system of farming out a certain portion of the work, and it was adopted. The case was referred to the Treasury, and the Treasury, after some hesitation, sanctioned it by the letter of the 9th of October 1871, and also sanctioned some variations by a subsequent letter of 1883, and the system went on till it was terminated in October last.

2564. Then you hold, as I understand, that those two letters gave the Post Office general authority for this system?—Yes, certainly.

2565. (To Mr. *Hamilton*.) Does the Treasury admit that?—Yes; the authority was a general one.

2566. (To Sir C. L. *Ryan*.) Have you anything further to say upon it?—I have nothing further to say.

2567. (To Mr. *Turnor*.) The Comptroller and Auditor

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[Continued.]

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Vote 3.—Post Office—continued.

Chairman—continued.

Auditor General, in paragraph 4, calls attention to the rates of wages paid to unestablished sorters when, according to his views, the rates sanctioned in 1877 were applicable only to the persons already in the Post Office employ when selected for extra duties; what is the view of the Post Office upon that point?—I think there is some misapprehension about this case. The Treasury have repeatedly pressed the Post Office to employ unestablished officers at fixed wages of 18 s. a week, wherever practicable; and the Post Office in trying this experiment has employed these men to fill vacancies in place of established sorters; that is what was done in this particular case. There were 23 vacancies at that time; and the Post Office, instead of filling them with established officers who would be entitled to pension, filled them with unestablished officers at the fixed rate which had been laid down by the Treasury, namely, 18 s. a week.

2568. (To Mr. Hamilton.) Does the Treasury hold that such a payment could be made without special authority from the Treasury?—Yes, without special authority.

Mr. Barran.

2569. (To Mr. Turnor.) What are the establishment men paid?—The establishment men come in at an early age, and begin at 14 s. and 16 s. a week, and rise by 1 s. 6 d. to 38 s. Therefore the unestablished officer who is an adult, coming in at 18 s., is the cheaper officer on the whole.

2570. Does he remain at that rate of wages?—He has remained so since the experiment has been tried. How long he will remain so I am not prepared to say.

2571. Is he doing the same kind of work as a man who will get 38 s. a week?—He does the inferior kind of work of the same class.

2572. Sorting?—Yes. The unestablished officer does the mechanical work, and takes any work that he is ordered to perform, but it is of the simplest character.

2573. Is there any temptation to dishonesty in that Department?—I do not think we have found that there is more than in other branches.

2574. Is there as much as in the other branches where the men are paid higher wages?—They are not put in reach of money.

2575. Are they put in reach of letters?—To a very modified extent. Of course they frequently carry letters from one part of the building to another, but they do not do any of the higher sorting work.

Chairman.

2576. (To Sir C. L. Ryan.) I observe that you suggest that the limits within which the Postmaster General should exercise an independent authority to fix rates should be more accurately defined; what do you desire to suggest?—I think it would be much more satisfactory, if the Treasury approve of the

APPROPRIATION ACCOUNTS.

Vote 3.—Post Office—continued.

Chairman—continued.

latitude which is claimed by the Post Office, I daresay very properly, if they were to state their approval more distinctly than at present. It is very difficult to examine the account with regard to the Treasury authority on the somewhat undefined lines on which it now stands; and if the Treasury approve of this action, and think it is right, they should, I think, give a distinct sanction to it, which would be an authority for us in the future. (Mr. Turnor.) Might I remark that the numbers are already defined because they are defined by the number of vacancies. The wages are also defined because they are fixed at 18 s. (Sir C. L. Ryan.) It is a question of substituting unestablished for established labour on a large scale, and I think if the Treasury wishes to give the Postmaster General an entirely free hand upon the point, and would give us an intimation to that effect, it would facilitate our examination.

2577. (To Mr. Hamilton.) Has the Treasury taken that point into consideration?—We have not had under recent consideration that point so far as I know.

2578. Perhaps the suggestion of the Comptroller and Auditor General will be considered?—Certainly, any suggestion of that kind will be considered.

Mr. Barran.

2579. (To Mr. Turnor.) Would you consider it desirable to diminish the number of established men, and increase the number of unestablished men, merely for the purpose of economy?—It is not done solely on the ground of economy. It is a change that may be carried too far, I think, but it has some advantages apart from economy. For instance, it has this advantage, that an established man is limited as to age; he must be between certain limits, and that cuts out, as it were, a large supply of labour which is quite ready to come to the Post Office, but is precluded by the technical objection as to age. We have found, in a great many instances, that there are a number of people who were fit for the ordinary mechanical work who were glad to come, such as pensioners from other quarters, policemen and soldiers, and so on, and I think that the experiment, if it is worked on proper lines, will very likely be successful.

2580. Where the men have no other income but the 18 s. a week, is there any prospect of receiving better pay there?—Our object has been to endeavour to get a certain proportion of pensioners, a certain proportion of young men who are still able to qualify for the establishment, and a certain proportion of older men who may have made a little money, or may have something of their own, but at any rate are glad enough to be employed on this work. I think if the scheme is worked in that way we shall have a fairly satisfactory body of men to perform mechanical duties.

2581. And

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[Continued.]

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Vote 3.—Post Office—continued.

Mr. Barran—continued.

2581. And a good and efficient service?—Yes, on the whole.

2582. You do not think that the men will give you a service according to the pay which they receive?—I think we shall have to be guided somewhat by the supply and demand. If the wages of men of that sort rise we shall probably have to raise our wages. That is a question which we have not reached yet.

Chairman.

2583. (To Sir C. L. Ryan.) In paragraph 6 of your Report on this Vote, you mention that the deeds in the case of two of the largest contractors for the conveyance of mails have not been completed, although large payments have been made in accordance with their terms; have you any further information to give upon that matter?—Yes; since that date the deeds have been completed and furnished to me.

2584. (To Mr. Turnor.) Is it usual for deeds to remain a long time in draft, and payments to be made without the deeds being completed?—There was some difference of opinion between the lawyers on each side as to the terms of these contracts, and there was considerable delay in completing them; but no payment was made without a certificate that the work was performed, and if there was any disadvantage I think it was on the side of the contractors.

2585. But it is unusual, I suppose, not to complete the deeds before making payments?—It is always desirable to complete them as soon as possible.

2586. (To Mr. Hamilton.) In paragraph 8 of the Report on this Vote, the Comptroller and Auditor General calls attention to the fact that payments have been charged to the sub-heads Postal H., "Sites," 167 l. 7 s. 6 d., and Telegraphs N., "Sites," 83 l. 13 s. 8 d. for the redemption of the land-tax; and he suggests that such payments would properly fall within the category of those made by one Public Department to another; what would be the Treasury view upon that question?—I do not quite follow the way in which the case is put by the Comptroller and Auditor General. When the tax comes to be redeemed under the Act of Parliament, the redemption money has to be handed by the Commissioners of Inland Revenue to the Commissioners for the Reduction of the National Debt, and therefore I do not see how we can avoid making this payment. I do not know whether that fact was in the view of the Comptroller and Auditor General at the time he made that suggestion. We could not avoid the payment in any way short of altering the Act of Parliament. (Sir C. L. Ryan.) I did not know that.

2587. (To Sir C. L. Ryan.) Would not the category of payments made by one Public Department to another refer more particularly to payments made for services rendered?—Yes; no doubt it would be mainly so.

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APPROPRIATION ACCOUNTS.

Vote 3.—Post Office—continued.

Chairman—continued.

2588. (To Mr. Hamilton.) Under the head of "Law Charges," there appears to be a sum of 30 l. which originally had been charged as a compassionate allowance, and which was in the nature of compensation to the husband and children of a caretaker who was accidentally killed; have you any explanation to give as to the Treasury having given that direction?—I think it was rather a mistake on the part of the Treasury to have given the direction they did to charge it to this sub-head. It is one of those cases where it is very difficult to know exactly where to put the charge. As the Comptroller and Auditor General points out, it might have been charged to "Superannuations," but I think it was in the case of a very similar charge that he objected some years ago to charging it to superannuation. There was a payment of some considerable sum in respect of a compassionate allowance for loss of health, which was charged to "Superannuations," and I believe that the Comptroller and Auditor General took exception to that. That shows how difficult it is to determine under what sub-head to place it.

2589. Is not the effect rather to hide such an expenditure, as suggested by the Comptroller and Auditor General, and keep it from the knowledge of Parliament?—If it is a sum of any amount a separate sub-head is the best thing. In this case, the fact that induced the Treasury to decide in favour of putting it under "Law Charges" was, that had the payment not been made, there was every probability of an action at law, which might have led to a very considerable additional expense.

2590. That might be an explanation which would apply to a good many payments which would be put under "Law Charges"?—That was the consideration which led the Treasury to come to the decision to put it under "Law Charges."

Mr. Wodehouse.

2591. There was an actual threat of legal proceedings, I understand?—I believe so.

Chairman.

2592. (To Mr. Turnor.) In paragraph 12 of the Report on this Vote, the Comptroller and Auditor General points out that although a note appears on the Appropriation Account, showing that the total value of all materials used in the manufacture of post-cards, wrappers, stamped envelopes, &c., issued to the Postmasters for sale during the year, amounted to 130,050 l., no statement has been furnished to him by which the actual amount realised on such sales can be ascertained; would it be possible to give a statement corresponding to that supply of materials to the value of 130,050 l., to show how much came in in return for that expenditure?—Exactly the same point was raised before this Committee in 1885, and I explained that it would be quite possible

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Vote 3.—Post Office—*continued.**Chairman—continued.*

possible to do it, but that the expense of separating the material from the stamp value would be so great as to make it not worth while. The Committee then seemed satisfied with the answer, and when the Treasury took the Report of the Committee under consideration, the Treasury expressed themselves satisfied, and directed the Post Office to make that note as it stands in the present form. I thought the subject was then settled.

2593. What the Committee seem to have said in 1885 was this; it is necessary to read the two paragraphs 69 and 70: "(69.) The expenditure upon the Parcel Post is stated by the witnesses on behalf of the Post Office to be so amalgamated with the Letter Post, that it is not possible to arrive at an accurate statement of profit or loss upon the Parcel Post system. (70.) A somewhat similar observation applies to the cost and receipts for cards, envelopes, wrappers, &c., which is mixed up with the item 'Stamps sold to the Public'; in neither case is strict financial accuracy obtained, but it is urged that the expense and labour of separating the accounts would, in the latter case, be too great, and that the payments on account of the Parcel Post are made in accordance with the directions contained in the Parcel Posts Act." Then the recommendation of the Committee seems to relate only to the Parcel Post?—Upon that the Treasury expressed itself satisfied.

Mr. Barran.

2594. When the Postal Account is made up for the year, is stock taken of all envelopes and post-cards?—Yes, of all that is outstanding. There is a return made of the amounts in the hands of Postmasters in the form of stamps and post-cards.

2595. Is a return made of the stock at the General Post Office, or wherever you hold the stock?—No. The issue is made from Somerset House upon requisitions. There is no stock of that sort held at the General Post Office.

2596. The stocks are held at Somerset House, I understand?—Yes.

2597. Is the stock held at Somerset House, which may be presumed to be a pretty large stock, estimated at all?—Yes, that is estimated by the Commissioners of Inland Revenue.

2598. Where is that shown?—It is not shown in the Post Office accounts; it is shown in their account.

2599. In what form?—The charge for the Post Office is only shown in the item of the manufacture of all these articles, and the issue to the Postmasters; and I believe that the account for the Inland Revenue would be simply an account in their own hands of the balance held at Somerset House.

2600. Does that appear as stock in trade, if I might so call it; it is paid for during the past year; does it appear as part of the profit of the

APPROPRIATION ACCOUNTS.

Vote 3.—Post Office—*continued.**Mr. Barran—continued.*

Post Office, or is the stock of stamps and wrappers and cards accounted for in any way?—It would be accounted for by the Commissioners of Inland Revenue; I am not at all sure what supply they may have at the end of each year; it is a question with which they deal entirely.

2601. Could you say whether they have twenty or one hundred thousand pounds' worth of stock? My object in asking the question is, that we get the Postal account yearly, and so much is charged for post-cards and envelopes and other things; but I do not know, and I think the House does not know generally what amount of stock may be held in hand each year at Somerset House; I presume you might have a difference of very large sums at the end of one year as compared with another?—I could not answer the question straight off with great accuracy; but my impression is, that the supplies of these articles proceed with such regularity, and the averages come out so regularly quarter by quarter, that they know how to issue the supplies so as to leave a small balance of stock in hand. I could get exact information upon that if the Committee wished it.

Sir Walter Barttelot.

2602. How do the local post offices get their supplies?—They send requisitions up to headquarters, and the supplies are issued from Somerset House direct.

2603. Is the requisition made direct to Somerset House, and not to the General Post Office?—It is made by the Post Office official direct to Somerset House.

2604. It is made to the Post Office or some official there, and then, I understand, they give the necessary information to Somerset House to supply what is necessary?—The Inland Revenue issue the supplies up to a certain limit fixed by the Post Office for each separate office.

Chairman.

2605. (To Mr. Hamilton.) What view does the Treasury now take of the value of a statement such as the Comptroller and Auditor General suggests?—I do not think that I am very competent to express an opinion upon the point. The thing was gone into some time ago; and the conclusion was that it was hardly worth the trouble and expense incurred in making out the statement. I am not aware of any circumstances that have altered that view since.

2606. (To Sir C. L. Ryan.) Have you any further remarks to make upon this point?—No.

2607. (To Mr. Turnor.) I see that in paragraph 14 of the Report, the Comptroller and Auditor General calls attention to the loss to the Revenue in consequence of the publication of local postal guides at Bradford, Bristol, and other towns; is it worth while any longer to issue those local postal guides?—This point seems to be rather a question of administration. It is
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Vote 3.—Post Office—continued.

Chairman—continued.

diffusion of knowledge to enable the public to avail themselves of the Post Office facilities. I have made some inquiry into the loss there, and I can only find that it has amounted to about 1 l. 14 s. Of course, if there was a heavy loss, I do not think that the Postmaster General would continue the local guides, but I may say the other guides are not sufficient for local purposes. The penny guide is abbreviated, and the information is not so ample as to satisfy the wants of large towns like those.

2608. Do I understand that the loss on the whole of those towns is under 2 l.—Yes, on those five towns.

Mr. Wodehouse.

2609. Are the local postal guides issued to other towns where there is no loss, such as Birmingham, Glasgow, and so on?—Yes, there are towns where there is no loss at all; in fact, I believe that there is a little profit in some cases, but I have not balanced the one against the other.

2610. Is there any limit as to the population of a town for which a local guide is issued?—There has not been any limit fixed; it is simply issued where there seems to be a demand for the information, and where it is useful.

ON VOTE 5.

POST OFFICE TELEGRAPHS.

Chairman.

2611. (To Mr. Turnor.) Is the question of the scale of extra duty and subsistence allowance to officers of the Post Office still unsettled?—I believe that this matter is still before the Treasury. There has been a Committee appointed which has made considerable progress in the examination of the question, and I expect to hear that some solution has been arrived at.

2612. (To Mr. Hamilton.) Is the Committee likely soon to report?—The Committee, as I have already said, have reported; and we only await action to be taken upon the Report; it is under the consideration of the Treasury now.

2613. Under Sub-Head E., the Comptroller and Auditor General reports that there is included a payment of 1 l. 16 s. 5 d. to a superintendent of the Central Telegraph Office on account of arrears of salary; it seems that his attendance ceased on the 12th of February 1886, but that he has obtained the benefit of the new scale, which commenced on the 1st of April 1886. Have you any explanation to give in regard to that?—I have really nothing more to say than what appears in the appended letter. There may of course be exception taken to ante-dating any new arrangement of that kind; but I think that so long as it was ante-dated, this man has as much right to take advantage of it as any other man

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Vote 5.—Post Office Telegraphs—continued.

Chairman—continued.

in the office. By bad luck he was on sick leave for a long time; if he had been in active employment, of course he would have got the benefit of the new scale from the 1st of April 1886; and I do not see why he should not have the benefit of it while on sick leave.

2614. Your point is, that although he only served till the 12th of February 1886, he did not retire till October of that year, and then the new scale had been in operation since April?—The new scale was retrospectively put in operation six months before he retired; and I think that he was entitled to have the benefit of it while he was on sick leave, as he would have been if he had been in attendance.

2615. Is that the usual view taken when a new scale is adopted, if a man happens to be away on sick leave?—I think it would be rather hard to deprive him of the benefit because he happened to be away.

2616. (To Sir C. L. Ryan.) What is your view upon that question?—If he returned to the service I think he would be entitled to the benefit of any change that had taken place during his absence. This is the case of a person who had actually ceased his real connection with the Civil Service before the new arrangement came into operation at all; and it struck me as being an exceptional case of indulgence. I am not aware that any precedent exists quite of a similar kind.

2617. Your point arises partly out of the fact that this was a scale authorised on the 4th of April 1887, and ante-dated for the benefit of those who were still in the office?—Yes, I think so.

2618. (To Mr. Hamilton.) Does not that modify somewhat your view of the particular case?—I was aware that it was ante-dated, and I began my answer by saying that it was ante-dated. I think there is a great deal to be said against any system of ante-dating; but that if a scale is given a retrospective effect, it is only fair that the man in this case should have the benefit of it.

Mr. Barran.

2619. Is there not this further fact, that there was no prospect of his ever discharging the duties of the office again?—The scale came into force on the 1st of April 1886, though it was retrospectively made so, and no one could say that at that time he might not be able to return to the office. I do not think that the Comptroller and Auditor General would have taken exception to this case if the scale had not been ante-dated. (Sir C. L. Ryan.) Quite so.

STORE ACCOUNTS.

Chairman.

2620. (To Mr. Turnor.) In the 4th paragraph of the Report the Comptroller and Auditor General points out that the regulations laid down for

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Store Accounts—continued.

Chairman—continued.

for the purpose of periodical stock-taking have not been observed, have you anything to say with regard to that?—Yes, there has been a great deal of correspondence with the Treasury on this subject, and I think that the Committee will understand the case if I say that on the 17th of June 1881 the Postmaster General addressed an official letter to the Treasury in which he gave the results of the examination of the Stores for the three previous years. The result of those examinations was to find very few discrepancies in the Stores, but the cost of making them was very large, and therefore the Postmaster General thought it right to bring the circumstances before the Treasury, and ask whether it was the intention of the Treasury that this cost should be incurred annually. He also pointed out that as the multitude of stores increased the cost would also increase, and also that if more care and more skill were shown in examination, that is in the employment of officers who had technical knowledge so as to know what the descriptions of articles were, a better staff would have to be employed still. The Treasury upon that said that they would like certain depôts to be examined, and would reserve their final decision until later. That instruction was carried out, and at a subsequent date a further letter was addressed to the Treasury, and the Treasury replied that they would like the depôts of Newcastle and Manchester to be examined before deciding. Then after that, in November 1886, a general Treasury Minute was issued to the Comptroller and Auditor General, which raised a new element of consideration with regard to these Stores (it was a Minute that applied to other Departments as well as the Post Office), and therefore the Report was delayed to see what views he expressed with regard to the Stores. The Report on Newcastle and Manchester is now ready to go to the Treasury, and will be sent in in a very short time, and the Treasury will express their decision.

2621. (To Mr. *Hamilton*.) In paragraph 7 of the Report there is a sum included under the Sub-head "Miscellaneous Receipts" of 306 *l.*, received from the Vote for Irish Constabulary on account of the extension of the telegraph system to Belmullet; the Comptroller and Auditor General raises a doubt as to whether the Vote for the Irish Constabulary should bear a charge which appears as an increase of Telegraph Revenue; have you anything to say with regard to that point?—The Treasury felt at the time that this telegraph extension being expected to be wholly unremunerative they would be hardly justified in charging it against the Post Office Vote; and the suggestion was made to treat it as a guarantee, so to speak, against the Constabulary Vote. It was felt it would be rather hard to charge the Telegraphs Account with what clearly did not belong to it.

APPROPRIATION ACCOUNTS.

Store Accounts—continued.

Chairman—continued.

2622. Was it also felt very important to show the whole expense of the Irish constabulary, and not to exclude this item which would have otherwise been excluded, and would have increased the charge for the Post Office Vote?—That is a fair additional reason to adduce in favour of the arrangement that was made.

Sir Walter Barttelot.

2623. Was the wire put up exclusively for the use of the Irish Constabulary?—Not exclusively.

2624. Surely if it was not exclusively for the use of the Irish Constabulary, it ought not to be charged to that Vote?—I believe that the public have access to the use of the line, but it was primarily for the constabulary, and any receipts from the public would go in reduction of the guarantee in the Constabulary Vote.

Mr. Sydney Buxton.

2625. Is 306 *l.* the whole cost of the extension?—That is the annual payment.

2626. What I mean is, is that the whole of the annual loss?—No; what I understand to be the case is this: that the Post Office said, We will put you up this wire if you pay us so much a year. (Mr. *Turnor*.) £.306 a year would cover the cost.

Chairman.

2627. (To Mr. *Hamilton*.) Does the 306 *l.* represent the amount of service rendered to the constabulary by the new telegraph; is that so?—No; as I understand, the cost of putting up this wire, and working expenses, was supposed to be represented by an annuity of 306 *l.*

Mr. Barran.

2628. Does it amount to this: that the Irish Constabulary say, We will give you 306 *l.* a year towards the cost of construction, sinking fund, and working expenses, and we will take the revenue that derives from it?—Yes.

Chairman.

2629. In fact, the 306 *l.* represents the service rendered to the constabulary, but it also represents something more?—Something slightly more. Similar arrangements are constantly made with regard to private individuals, as the Committee are aware.

2630. (To Mr. *Turnor*.) Can you state how much, so far as you know, the services rendered to the constabulary by this telegraph extension amount to in annual value?—My impression was that it was solely for the constabulary, but I am not sure whether I am correct in that. I observe that the Irish Government said that they would guarantee the sum from the Constabulary Vote.

[The Witnesses withdrew.]

Wednesday, 3rd July 1889.

MEMBERS PRESENT:

Mr. Barran.
Sir Walter Barttelot.
Mr. Sydney Buxton.
Mr. Jackson.
Sir Ughtred Kay-Shuttleworth.

Sir John Lubbock.
Mr. Arthur O'Connor.
Mr. Salt.
Sir Richard Temple.
Mr. Wodehouse.

SIR UGHTRED KAY-SHUTTLEWORTH, BART., IN THE CHAIR.

CIVIL SERVICE APPROPRIATION ACCOUNTS, 1887-88.

Mr. EDWARD W. HAMILTON, C.B., Sir CHARLES LISTER RYAN, K.C.B., and
Mr. G. L. RYDER, C.B., re-called; and further Examined.

CLASS IV.

EDUCATION, SCIENCE, AND ART.

On VOTE 11.

PUBLIC EDUCATION, SCOTLAND.

Mr. HENRY CRAIK, C.B., called in; and Examined.

ACCOUNT FOR 1885-86.

Chairman.

2631. (To Mr. Craik.) WE are informed by the Comptroller and Auditor General that the Lords of the Committee of Council on Education in Scotland think that it would be well that the matter of the extra allowance of 100 l. to Mr. Todd should be again brought before Parliament, in order that explanations which were not previously called for may be given; has the Committee of Council on Education gone first to the Treasury on this question?—Yes; I have seen Mr. Jackson about this question under the authority of the Lord President.

2632. Has the Treasury approved of the proposed step of the Committee of Council on Education?—Mr. Jackson quite understood, and I think was quite prepared to support the action which the Committee of Council have taken. The objection is only retrospective, I may say; it is not with regard to anything at present going on. It is only as regards the first payment that was made to Mr. Todd.

2633. We need not go into the merits of that point; as I understand, it is proposed to ask this Committee to go back upon the decision which, I think, it came to some two years ago?—Yes.

0.60.

Chairman—continued.

2634. Probably you are aware that the regular course laid down in such a case is that the Department should go to the Treasury, and then come to the Public Accounts Committee with the approval of the Treasury?—That has been done.

2635. (To Mr. Hamilton.) Has the Treasury given its approval?—I am not aware that they have in this case. (Mr. Craik.) As Mr. Jackson is not present, I can only say that I saw him, and he agreed that it was best that the matter should be explained again before the Committee.

2636. (To Mr. Hamilton.) Would not this require the formal approval of the Treasury?—Certainly; and I think that there must have been some misunderstanding on the part of Mr. Craik as to what Mr. Jackson said. (Mr. Craik.) I think not. Mr. Jackson specially asked me to bring the matter before the Committee in his presence. (Mr. Hamilton.) The Treasury practice certainly would be that the Department concerned should communicate first with the Treasury, in order that the Treasury might bring the matter again before the Public Accounts Committee if they approved of so doing.

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Mr. RYDER, C.B., and Mr. CRAIK, C.B.

[Continued.]

APPROPRIATION ACCOUNTS—Class IV.

Vote 11.—Public Education, Scotland—
continued.

ACCOUNT FOR 1886-87.

Chairman.

2637. (To Mr. *Craik*.) A question arose with regard to the interpretation to be placed upon that portion of Section 67 of the Scotch Education Act which relates to additional grants; may I ask why in this case a joint case agreed to by the Department interested was not submitted to the law officers?—The Department knew of no such general rule requiring that a joint case should be submitted, nor am I aware that that has been constantly the custom; but I wrote on the 9th May 1888 to the Comptroller and Auditor General in the following terms: "Adverting to the question which has arisen with regard to the interpretation of Section 67 of the Education (Scotland) Act, 1872, I am directed to state that, in view of the doubts which have arisen, my Lords are now prepared to take the opinion of the law officers for Scotland on the point, and will take steps accordingly." Receiving no reply to that letter we laid the case before the law officers for Scotland. We did not hear again from the Comptroller and Auditor General till the 17th of July. I took it that that announcement having been made, the Comptroller and Auditor General was satisfied.

2638. Had your attention not been called to the resolution of the Committee of Public Accounts in 1885 to the effect that in cases of this kind the opinion of the law officers shall be taken on an agreed case?—My attention was not at the moment called to that certainly; but I should have thought that, even had it been, the announcement that we were about to do so having been received by the Comptroller and Auditor General without remark, would have indicated that he accepted our action.

2639. Was the question which was submitted to the law officers laid before the Comptroller and Auditor General?—The case was not submitted, I think, to the Comptroller and Auditor General. The question was well understood, I think.

2640. (To Sir C. L. *Ryan*.) Perhaps you would like to express to the Committee your view upon the subject?—I do not think that we understood that the case was going to be submitted without further communication with our Department. The statement in the letter sent to me was that it was the intention of the Scotch Education Department to take the opinion of the law officers of the Crown. We expected that a case would be prepared and submitted to us for our concurrence in it, as a joint case.

2641. That would have been the regular course, would it not?—I think that would have been the regular course. That being our understanding we did not take exception when the letter was sent; we did not say "you must not proceed further without submitting a joint case to us," because we thought that would follow as a matter of course.

2642. I think the Treasury would hold that in such cases the two Departments should submit a joint case?—I should think so; and the require-

APPROPRIATION ACCOUNTS—Class IV.

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Account, 1886-87—*continued.**Chairman—continued.*

ment of a joint case was, I think, a very reasonable requirement to make. (Mr. *Craik*.) I may say that during my examination before the Committee of Public Accounts I was asked by the Chairman to submit a case to the law officers; he said he thought it would be well that that should be done; and I wrote to Mr. Molyneux, who was Clerk to the Committee on Public Accounts last year; I have not a copy of my letter here; but I have Mr. Molyneux's answer, which is this: "In reply to your letter of the 4th instant, Sir John Lubbock would like to see a copy of your counsel's opinion, and will be then able to judge whether it would be advisable to have it printed with the evidence." We sent a copy accordingly, but what Sir John Lubbock's opinion upon it was I do not know. I thought that possibly, if he thought it necessary, he would have had it printed with the evidence, and in that case it would have been easily accessible to the Comptroller and Auditor General. It was only an oversight if it was not submitted; if we had thought Sir Charles Ryan wished to see it we would certainly have submitted it to him.

ACCOUNT FOR 1887-88.

Chairman.

2643. (To Mr. *Craik*.) Certain grants were paid during the year 1887-88 to certain schools where the ordinary fee exceeds 9d. a week; that was probably done before attention could be paid to the decision of the Public Accounts Committee of last year, but the Comptroller and Auditor General informs us that similar payments continue to be made during the year 1888-89; will you kindly explain how that is?—That arose from the interpretation put by the Department upon the letter of the Treasury that such grants might continue "during the current financial year;" the Department understood that to mean the financial year of the school. It could only, in that way, have been of real benefit to the school, because the school had begun the financial year by making its arrangements for the year, and the ground upon which we went to the Treasury was that the school having made certain arrangements for its financial year was entitled to look to the grant being paid for that financial year upon the basis of the Code which had then been in operation, and the interpretation then placed upon the Code.

2644. Have no payments of this kind been made except to schools whose financial year had commenced when the Treasury letter reached you?—Certainly not, so far as my knowledge goes.

2645. And such payments are not now being made?—No.

2646. (To Mr. *Hamilton*.) What meaning would the Treasury attach to the words "during the current financial year"?—I think that the Treasury, no doubt, meant the financial year in
the

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[Continued.]

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Account, 1887–88—continued.*Chairman*—continued.

the ordinary acceptance of the term, that is, the year ending the 31st of March, but at the same time I think the interpretation that has just been mentioned was not an unnatural interpretation to be placed upon it by the Education Department, having regard to the fact that the Treasury, in talking of the current year, allude to arrangements of these schools for the current year having been made. The sentence in the Treasury letter runs thus: "All the arrangements of these schools for the current year having been made upon faith that the grant would be continued, payment may continue to be made to them during the current financial year."

2647. (To Sir C. L. Ryan.) Would you wish to say anything more with regard to this point?—I do not wish to say anything more than this. I thought it necessary to refer that question to the Treasury, and the Treasury expressed a very distinct opinion that they considered that there was no room for doubt on the point that it only applied to the financial year in the usual sense. (Mr. Hamilton.) That was the meaning of the Treasury, no doubt. I only say that it was not unnatural for the Scotch Education Department to interpret the Treasury letter as they did.

Sir Walter Barttelot.

2648. Have all the schools in Scotland the same financial year?—(Mr. Craik.) No; each has its own financial year, and therefore the general financial year ending the 31st of March would have had no meaning to the different schools at all.

2649. Do their financial years end in all sorts of different months?—Yes. The years would be ending every month, according to the months in which the schools are inspected.

Chairman.

2650. Practically there would have been some difficulty, I presume, in applying the decision of the Committee to the case of a school whose financial year had already commenced?—There would be the difficulty that there would be a very strenuous objection on the part of any school to such discontinuance of the payment.

2651. They would have begun the year in full expectation of receiving the grant for the current year?—Yes.

Mr. Sydney Buxton.

2652. Do I understand that the schools named here will receive no grant from the Education Department in future?—I presume they will reduce their fee, but unless they do so in such a way as to conform to the restrictive limit they will not receive a grant.

2653. The probability is that they will reduce their fees, I suppose?—I should think so, certainly; they will do that rather than lose the grant.

2654. A school whose financial year had commenced would have had some difficulty in doing 0.60.

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Account, 1887–88—continued.*Chairman.*

that; I presume it could scarcely have returned to the parents the fees for the weeks which had already elapsed?—I think it would have been very difficult to do so. Perhaps I ought to add to the answer that I gave just now, that it is quite possible that some schools in this position may, if the fee were so restricted, raise themselves to the position of higher class schools which do not claim grants; but I do not anticipate that with any of these schools.

2655. It appears from paragraph 5 of the Comptroller and Auditor General's Report that payments were being made at the time of the last report to schools situated in the counties of Caithness and Sutherland in excess of the limit of grant which, in the Comptroller and Auditor General's opinion, is imposed by Section 19 of the Education Act of 1876 upon every school in Scotland, excepting those situated in the four favoured counties. He reported last year that these payments were clearly illegal; it seems that the payments have continued, and that they are still being made; is that so?—The payments are not being made now; they are suspended now.

2656. The payments seem to have been made during the financial year 1888–89, if you look at the last words of paragraph 5?—Yes.

2657. How did that happen?—A difference arose between the Comptroller and Auditor General and our Department with regard to the exact relation of the Act of 1872 to that of 1876. The Comptroller and Auditor General ought, in our opinion, to have stated more clearly the point upon which he raised this difficulty; whether, that is to say, he held that the Act of 1876 entirely repealed that of 1872 or not. We were in correspondence for some time with him upon that point, and the counsel of the Scotch Education Department and the counsel to the Comptroller and Auditor General have now had a conference upon the point. These payments have been suspended for some time, and an agreed case is now going to be submitted to the law officers. The difficulty that the Scotch Education Department had in ceasing these grants was that the precise point in the Acts upon which they were questioned was never clearly stated to them, and I think that the counsel to the Comptroller and Auditor General admits that difficulty. Perhaps, apart from the legal question, I might point out that it would give rise to a very great difficulty if in the case of these two counties, which had been very prominently brought forward in Parliament, and a Minute affecting which had received the assent of the Treasury, we had suspended those payments, because those two counties are in quite as difficult a financial position as the others, and it was extremely desirable, if possible, to continue the help which the Treasury had distinctly sanctioned, and which further had been laid before Parliament in a Minute, and had received the approval of Parliament.

2658. Is there any power under the Act of
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[Continued.]

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Parliament to add other counties to those four favoured counties of Inverness, Argyle, Ross, and Orkney and Shetland?—We contend that there is, and we are fortified in that opinion by having obtained the consent of the Treasury to the Minute adding those two counties, and having farther obtained the approval of Parliament to the Minute which was laid upon the Table of the House in the regular course.

2659. At all events the question is now to be submitted to the law officers in the form of an agreed case?—It is about to be submitted to the law officers.

Mr. Wedehouse.

2660. Can you say that it will certainly be submitted; or is it only under consideration whether it shall be submitted?—Not at all; we have to-day agreed upon the case to be submitted.

2661. Then the recommendation of the Public Accounts Committee of last year will be acted upon?—Certainly.

Chairman.

2662. The Comptroller and Auditor General calls attention in the 6th paragraph of his Report to the fact that sums amounting to 2,283 *l.* 3 *s.* 10 *d.* have been noticed by him as having been paid in contravention of the principle that repayment for books purchased for the children should not be treated as income; what have you to say as to that?—Our contention is that that principle has never been laid down either by the Treasury or by the Public Accounts Committee, but that in fact the very opposite principle has been laid down.

2663. Will you tell us where the opposite principle has been laid down?—A Departmental Committee was appointed in 1883, which on that special point reported as follows:—"The income of a school is what the managers have got to spend on it, and this income, for the purposes of Section 19 of the Education Act, 1876, may be derived from any source whatever other than the Parliamentary grant. How do these words exclude money obtained in replacement of money previously spent? If the managers issue books to the value of 20 *l.* and recover none of it, this school is surely poorer than if they recover part of it or the whole." The Committee go on further to enlarge upon that view (upon certain conditions, I admit), and it was accepted by the Public Accounts Committee.

2664. What is the date of that report?—The 25th of May 1883.

2665. Who constituted the Committee; which Departments were represented?—The report is signed by Mr. Hibbert, Sir Ralph Lingen, and Sir Francis Sandford.

2666. It was a Joint Committee of the Treasury and the Education Department?—Yes; and I may say the Treasury previously, on the 17th October 1882, had expressed the view almost more strongly. "Subject to these ob-

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servations respecting transfers between schools or from a school account to a training college, my Lords do not apprehend any inconvenience in ruling that, whatever is paid into the school account no matter whence is income, and that whatever is paid out of the same account no matter for what is expenditure." I am aware that afterwards the Public Accounts Committee did attach certain riders, which no doubt Sir Charles Ryan will state, but the principle was there laid down which we have followed.

2667. (To Sir C. L. Ryan.) Perhaps you will explain your view of the matter to the Committee?—First of all, I may state that the Committee, the finding of which Mr. Craik has just read, was a Treasury Committee and an Education Committee, but the Exchequer and Audit Department was not represented upon it. It was understood that if the Comptroller and Auditor General at the time did not agree with the finding of that Committee, it was open to him to bring the matter before the Public Accounts Committee. The Comptroller and Auditor General at that time was prepared to accept as a compromise the ruling that the books should be treated as income, provided that the total fees did not exceed 9 *d.* He did not agree with the principle so laid down, but he accepted it as a compromise; subsequently the Education Department (that is, the English Education Department, for the Scotch Education Department was not then in existence) said that the compromise was not, in their opinion, workable. Therefore the finding of the Committee has never been accepted by the Audit Office, and it has always held the opinion that receipts for books which are paid for by children should not be treated as income; because it has passed through both sides of the account it does not therefore become income.

2667*. (To Mr. Craik.) Does this question arise in connection with the 17 *s.* 6 *d.* limit?—Yes, it would be in connection with the 17 *s.* 6 *d.* limit. (Sir C. L. Ryan.) It is entirely in connection with that.

2668. (To Mr. Craik.) So that the admission of these additional sources of income, as income, would tend to swell the expenditure side of the balance, and so satisfy the 17 *s.* 6 *d.* requirement?—Yes. I may state that this same compromise was laid before the Scotch Education Department; for slightly different reasons the Department felt itself unable to accept that compromise. In the first place we saw no necessary connection between what were two absolutely distinct questions, namely, the limit of the fee and the payments for books. We foresaw that any compromise of this sort would complicate these questions when dealt with separately. Then, in addition to that, any compromise of this sort would have complicated our position, which was then a matter of dispute with regard to the 9 *d.* limit. That difficulty did not arise in connection with the English Education Department, but

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but it did arise under the Scotch Code in connection with the Scotch Education Department. We were not prepared, by any compromise that the Department might make, to limit what we then believed was the intention of Parliament in the Scotch Education Act, that a fee of 9d. should not be absolutely fixed in Scotland. We hold that we are supported by the previous decisions in reckoning these payments for books as income, and that the other question of the limit of 9d. must be dealt with on its own footing and separately.

2669. (To Sir C. L. Ryan.) Your view, on the other hand, I understand, would be that only the 9d. paid by the children can be taken as the income of the school, and that any payments made in addition for books should not be treated as income?—Yes, if they are repayments for books which they buy. (Mr. Craik.) In our view that would make the accounts of each particular school untrue records of what had been spent and received. No balance sheet of a club (if I may take an analogy) would be reckoned as proper which entered only the profit which was received over the coffee-room receipts. We think that in the same way, in a school, all that is received, and all that is paid out, should appear in the balance-sheet.

2670. On the other hand the Comptroller and Auditor General points out that the proper way to treat it would be, as I understand, in a separate account perhaps, to state the amount which the managers have spent in the purchase of books, and on the other side to state that they have received a similar amount from the children for the books, and then only to treat as income any net profit beyond the amount than the managers have actually spent on the books?—But the Act of Parliament lays down that the income is to be the measure of the grant for certain purposes; surely “income” must be taken, therefore, in the popular and ordinarily accepted sense of income, which, I contend, in any statement of account whatever, would include the whole receipts.

2671. (To Mr. Hamilton.) Has this case been under the consideration of the Treasury since 1883?—I am not aware that it has. I am not certain that I wholly appreciate the importance of the point, but if I may express a general opinion, of course it is unusual to treat as revenue a repayment of that kind, which is not interest, and therefore does not represent income. Personally, I should be inclined to defer to the opinion expressed by the Departmental Committee, which apparently went into the point, and had it fully in view when they expressed that opinion.

2672. (To Mr. Craik.) You will observe that the Comptroller and Auditor General, in the 3rd paragraph from the bottom of page 391, makes a distinction between the payment of which we have been speaking (that is, payments at irregular intervals by children for books bought as individual property), and the periodical obligatory payments also by children, but I believe in the

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form of additional fee, for the use of books, &c., which are permanently the property of the school; the latter class of payment, I understand, he would admit as payments which might be properly included on the income side of the account?—We do not admit the distinction, and in regard to that I would quote this sentence from the Report of the Departmental Committee, where they speak of such a distinction. They say: “But is the distinction that the child acquires the book, instead of the right to use it, such a distinction as in the one case, properly makes his payment a part of the school income, and in the other not so. It is difficult to see why. In both cases there is a payment for the means of instruction, and it is not proved that the price paid down once for all for the book, which one child only is to use, is greater than would be the repeated fees for the privilege of concurring with other children to wear out the same book.” We hold that in principle there is no difference at all. Then with regard to the connection of the two questions, perhaps you would allow me to point out this, that it might be a more difficult question if the inclusion of these payments as income arose in the same case where a difficulty arose as to the limit of school fees, but no such case has arisen. The Comptroller and Auditor General, we think, wishes us to make beforehand a compromise which may affect a hypothetical case, but it has never yet affected any case in practice.

Mr. Sydney Buxton.

2673. I understand the view that you take practically comes to this, that the income of a school in view of the 17s. 6d. limit ought to be reckoned on every payment of any sort or kind made by the parents?—Yes.

2674. If this payment for books were excluded the real income of the school, as derived from the parents or voluntary subscribers, would not be shown; would that be so?—Yes.

Mr. Wodehouse.

2675. (To Sir C. L. Ryan.) Does the distinction drawn by you between the two classes of payments turn upon the point that in the one case the book is the property of the child, while in the other case it remains the property of the school?—Yes.

2676. In the first case you refer to the property which passes to the child or to the parent?—Yes, it passes to the child. The school managers in in that case become booksellers. If they make any profit clearly they are entitled to reckon that profit as income.

2677. In the other case they are book lenders?—Yes, they become book lenders; the property in the book remains in the school.

Mr. Barran.

2678. (To Mr. Craik.) Is there any option allowed to the children as to where they may purchase

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[Continued.]

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Account, 1887-88—*continued*.Mr. Barran—*continued*.

purchase the books?—That is an arrangement which each school may make for itself.

2679. What is the nature of the arrangement which each school does make?—It differs in different cases; in some cases the fee includes the use of books, and in some cases it includes even books to be supplied to the children at their homes, but in other cases it does not.

2680. In some cases are the managers of the school allowed to become booksellers to the school?—Yes.

2681. And therefore they have the power of compelling the children to buy the books through them, instead of buying them through some other agency?—I presume so; but officially we have no knowledge of that.

2682. Whatever business is done through those school managers you consider to be a legitimate ground of demand from the Education Department as far as the amount which is realised is concerned; is that so?—Yes; we consider that the income of a school is all other than the grant that is spent by the parents or managers upon it, and therefore if they are compelled to buy books for their children, that should be considered as part of the local contribution which is to meet the grant.

2683. Does the money paid to the general managers for books pass through the school accounts?—Yes; and unless it did so we would consider its insertion was, of course, illegitimate.

2684. What arrangement is made for those who sell the books (that is the school managers) taking their share of the profit out of the books; how do they abstract that profit?—Of course the arrangement may be different in each case; but I greatly question whether they have any profit at all, and whether by this arrangement they do not cheapen the price of the books to the children by buying them in large numbers.

2685. It is not exactly a question of cheapening the books to the children; but my point is this, when the school managers purchase the books in large numbers, they get them, I presume, at wholesale price?—Yes.

2686. They retail them to the scholars, I suppose?—I presume they also sell them in most cases at the wholesale price.

2687. Or at cost price?—I should think at cost price. I should think that most managers would feel themselves bound to do so.

2688. But you have no guarantee as to that?—We have no knowledge as to that.

2689. Are the children allowed to go to any other market for their books except to the managers?—That, as I have said, must be an arrangement which each school makes with its pupils. We have no means of knowing that.

2690. Have you no means of getting to know by inquiry as to whether any profit is made by this bookselling; have you no means of knowing how this trade is carried on, and by what funds the books are purchased?—We could, of course,

APPROPRIATION ACCOUNTS—Class IV.

Vote 11.—Public Education, Scotland.—
Account, 1887-88—*continued*.Mr. Barran—*continued*.

by minute inquiry, obtain a return of the arrangements from each particular school; but they would vary infinitely, and in some cases where a small profit is made, I should think it generally arises from an old custom which prevails in some Scotch schools of the teacher acting as the provider of the books.

2691. Where are the funds provided from for the purchase in the first instance of the books which are sold through the managers to the scholars?—They are purchased from the funds of the school, undoubtedly.

Mr. Wodehouse.

2692. Part of which are income?—Yes, which are income.

Mr. Salt.

2693. The amount of your grant depends in some degree upon the gross amount of income, does not it?—Yes. This question arises from that fact.

Mr. Sydney Buxton.

2694. I suppose it may be assumed that a distinction has been attempted to be drawn between books which are the individual property of children, and books which remain the property of the school, but I suppose we may assume that the books which become the individual property of the children are bought for the purpose of the school, and practically are used simply and solely for the purpose of the school, and practically remains in the school?—That is an argument which I would have used. I could not go quite so far as to say that they remain in the school, but they are purchased as part of the expenses of the child at the school.

Chairman.

2695. (To Sir C. L. Ryan.) Have you any further observation to make with regard to this point?—I would only say that I should only be glad to get a settlement of this somewhat difficult question from the Committee. It was brought before this Committee some years ago, and it was decided upon a compromise, and the compromise is not workable. The question, therefore, stands now very much as it did when it was originally brought before the Committee. If the Committee take the view that payments for school books may be included as part of the payment of the school, I shall be only too glad to get a settlement of the question.

Mr. Barran.

2696. (To Mr. Craik.) Is it proposed to reconsider this question?—Not by the Education Department. We want to point out especially that the complication of the two questions of the limit of fee on the one hand, and of admitting these payments

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[Continued.]

APPROPRIATION ACCOUNTS—Class IV.

Vote 11.—Public Education, Scotland.—
Account, 1887-88—*continued.*Mr. Barran—*continued.*

payments as income on the other, is really likely to lead to confusion, because the one case has nothing, so far as I see, to do with the other, and the two questions have never arisen in the same case.

APPROPRIATION ACCOUNTS—Class IV.

Vote 11.—Public Education, Scotland.—
Account, 1887-88—*continued.*

Mr. Arthur O'Connor.

2697. Can you give us the date of the alleged compromise which has been referred to?—It was proposed, I think, in 1883, but it was never agreed to.

[Mr. Craik withdrew.]

LOCAL LOANS FUND.

ACCOUNTS, 1887-88.

Chairman.

2698. (To Mr. Hamilton.) I think that this is the first account that has been presented of the Local Loans Fund?—Yes, that is so.

2699. On page 18, the Comptroller and Auditor General, referring to all the classes of arrears which he has already enumerated, says, "I have been informed that proceedings are being instituted in all cases, where they have not already been taken, to enforce payment, save cases in which on certain terms and for certain reasons time has been given by the Board or the Attorney General to the borrowers, and save cases in which appeal has been made to the Treasury or the Chancellor of the Exchequer." The Comptroller and Auditor General goes on to remark that in his opinion "the power of giving time to borrowers in case of payments in arrears before instituting proceedings, hardly comes within the discretion of the Board of Works, in cases in which conditions of repayment have been laid down by Act of Parliament." What view does the Treasury take upon that point?—The Committee, of course, will understand that the Board of Works in these cases have been acting, as a rule, under the instructions of the Treasury. I think myself that it is doubtful whether there is any illegality in the proceedings. The Act of Parliament (which is the Act of 1877; I think) provides that no advances shall be remitted or compounded without the authority of Parliament; but in those cases there was no remission nor was any composition contemplated, and it was plainly most desirable in the interests of the Treasury, for the safety of the loan, that there should be a discretion of some kind left to the Executive Government. It is quite possible that you might in some cases imperil the safety of the loan if you pressed a debtor in a particular year; and, at the same time, it is a discretion which, I think, could not properly find a place in an Act of Parliament.

2700. The Comptroller and Auditor General also calls in question the expediency of granting postponement of payment, looking to the arrear which has accumulated on various loans, owing to the omission to take proceedings in the early stages of arrear?—I am afraid that I do not agree with the Comptroller and Auditor General as regards that point; I think it may be expedient at times to allow a postponement.

0.60.

Chairman—*continued.*

2701. I understand that the action of the Board of Works has been taken under the sanction of the Treasury?—They have been acting in these cases under the instructions of the Treasury. Of course this is a discretion which should only be exercised when a very good case is made out.

2702. (To Sir C. L. Ryan.) Does the statement which has just been made on behalf of the Treasury modify your view?—I do not exactly understand whether every case of this kind is referred to the Treasury, or whether the Board of Works is acting under general instructions.

2703. (To Mr. Hamilton.) Is every case referred to the Treasury, or do the Board of Works act under general instructions?—Under certain classes of loans they have general instructions; but there have been specific cases submitted to the Treasury, and specific instructions have been given in the case of individual landowners.

Mr. Jackson.

2704. I suppose it would be correct to say that practically every case is submitted to the Treasury where there is any doubt of recovery of the loan?—I think so, most certainly.

2705. That is to say, that the mere temporary non-payment for a week or two would not necessarily be brought to the attention of the Treasury; but if any deliberate action of postponement were in contemplation by the Board of Works that would be submitted to the Treasury?—Certainly. I think the Board of Works quite understand that every case of that kind would have to be submitted to the Treasury.

Chairman.

2706. (To Sir C. L. Ryan.) Have you anything to add upon this point?—I should also like to say that this paragraph should be read in conjunction with the last paragraph as to the steps that have lately been taken. I think that the Board of Works, under its new management, is less likely to allow arrears to accumulate than it was before.

2707. I think that the matter was fully explained to the Committee last year, was it not?—The matter was fully explained to the Committee

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[Continued.]

LOCAL LOANS FUND.

Accounts, 1887-88—continued.

Chairman—continued.

mittee last year, and I think there is a distinct improvement, so far as I have noticed, in the account, owing to the change of *personnel* as regards the legal and other advisers of the Board of Works in Ireland.

LOCAL LOANS FUND.

Accounts, 1887-88—continued.

Chairman—continued.

2708. And all possible steps are now taken, so far as you can judge?—All possible steps are now being taken so far as I can see. The first paragraph rather referred to the previous state of things than to the present state of things.

ON THE REPORT OF MESSRS. WATERHOUSE AND MILLS.

Chairman.

2709. (To Mr. *Ryder*.) I think you have handed in to-day the Report of Messrs. Waterhouse and Mills upon the several points referred to them as regards the Dockyards Expense and Store Accounts?—Yes.

2710. You have also, I think, handed in to the Committee the Minute of the Treasury of the 2nd of July upon that Report?—Yes; that is so.

Chairman—continued.

2711. In that Minute the Treasury say, "My Lords are much obliged to Messrs. Waterhouse and Mills for their valuable Report, and, subject to any remarks that the Board of Admiralty may desire to make on particular recommendations, are prepared to accept its conclusion"?—Yes.

Mr. GORDON W. MILLER, called in; and Examined.

Chairman.

2712. (To Mr. *Ryder*.) Is the Treasury satisfied that under the plans which have now been adopted, and under the plans as suggested by Messrs. Waterhouse and Mills, there would be a sufficient provision for a check upon the Accounts, independent of the head of the department, who is interested in the expenditure for which he accounts?—Yes, I think they are satisfied.

Chairman—continued.

2713. (To Mr. *Miller*.) I think the Committee have already been informed that the Admiralty are prepared to carry out some such plan, and to impose a check by money value on the quantities of stores?—That is in operation at the present time.

DOCKYARD EXPENSE AND MANUFACTURING ACCOUNTS.

Chairman.

2714. (To Sir C. L. *Ryan*.) I see that you state in paragraph 3 of your Report upon these Accounts that time has not permitted more than a very limited test examination, and that your observations now offered are rather those of general review and criticism than of strict audit?—That is so.

2715. I also observe that you call attention to the fact that that is of less importance in the present year; because in 1888-89 a new departure was taken in the form of the Estimates (Vote 8), which will largely affect the Expense Accounts of future years; and that in the present year a further and final modification is expected, under Parliamentary sanction, which would refer, I suppose, to Vote B.?—Yes.

2716. I think you informed us before that the Government are about to introduce a Bill to empower you to examine the Expense and Manufacturing Accounts?—I have reason to suppose that they will introduce that Bill; it was

Chairman—continued.

distinctly referred to in the Treasury Minute upon the Report of the Public Accounts Committee of last year.

2717. Does the question, whether you will present Reports upon these Accounts to Parliament in future, depend in any degree upon the introduction of such a Bill?—It depends materially upon that. Without such a Bill there would be no Report upon the Expense and Manufacturing Accounts next year; there would be no authority on my part to make such a Report.

VALUATION OF STOCK REMAINS.

2718. In paragraph 7 of your Report you state that there has been great improvement in the Valuation of Stock Remains in the current year when tested by you at Chatham and Portsmouth, and I think that you refer to the figures at the bottom of the fly-leaf at page 16, under the general

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[Continued.]

DOCKYARD EXPENSE AND MANUFACTURING
ACCOUNTS.Valuation of Stock Remains—*continued.**Chairman—continued.*

general head of "Value of Stock, on the 31st March 1888"?—Yes; the Committee will see, on referring to that page, that the value of Stock is now divided under the headings, "Authorised Patterns," "Obsolete Patterns," and "Set Aside for Sale," which is a distinct improvement in the Valuation.

2719. (To Mr. Miller.) The Comptroller and Auditor General calls attention in paragraph 8 to an oversight of some importance, which he has found in the Chatham Accounts; the value of stock remains at Chatham on the 31st of March 1888 is understated in the balance sheet to the extent of 2,505 *l.*; can you give us any assurance that the same does not occur with regard to the accounts at other yards?—Yes; this mistake is limited to the Chatham accounts. It has been going on for a considerable period, since 1879 in point of fact; and we have ascertained that no such errors exist at other yards.

COMPARISON OF PROGRAMME AND PERFORMANCE
IN SHIPBUILDING, REPAIRING, &c.*Chairman.*

2720. (To Sir C. L. Ryan.) This year I observe that there is no comparison of Programme and performance in shipbuilding, repairing, &c.; but under the new system of Vote 8 in the Estimates of last year, and Vote B. in the Estimates of this year, you will have such a comparison in future, will you not?—Assuming that Vote B. receives some Parliamentary sanction either by Resolution or by Bill, it would be so.

2721. As a matter of fact, I think Vote B. has not yet been submitted to the approval of the House by Resolution?—It has not been submitted by Resolution; but if the Programme is in any way sanctioned or referred to in a Bill which will be introduced, that will be taken as an equivalent to the sanction of Parliament; and I should consider it my duty to contrast the performance and the Programme in the Report on the Expense Account.

2722. (To Mr. Miller.) The Comptroller and Auditor General points out in paragraph 11 that while repairs can be carried out by Fleet men, seamen, pensioners, and others employed under the Captain of the Steam Reserve, the labour is not charged against the ships, although it may frequently be the larger item of cost; does not that indicate a point needing the attention of the Admiralty?—A correspondence is at present going on with the Comptroller and Auditor General upon this subject. The Admiralty do not see their way at present to effecting this distribution; but the matter is under consideration, and a further communication will be addressed to the Comptroller and Auditor General on the subject.

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DOCKYARD EXPENSE AND MANUFACTURING
ACCOUNTS.INCIDENTAL EXPENDITURE CHARGEABLE TO
SHIPS AND SERVICES.*Chairman.*

2723. A new basis of apportionment has been devised for 1888-89, I think; is the rate of 7 per cent. fixed by the actuary of the National Debt Commissioners in 1867 under the consideration of an actuary for revision?—It is. This percentage was considered to be insufficient, and the question has been referred to an actuary. In the meantime we are adding 10 per cent.

2724. The actuary has not yet reported, I understand?—No.

MANUFACTURING ACCOUNTS.

Chairman.

2725. In paragraph 16 the Comptroller and Auditor General refers to questions arising on the Conversion Balance Sheets of 1887-88, and he says as to most of the points the Admiralty have not been able to give replies; are those points under the consideration of the Admiralty?—They are. At the time the Comptroller and Auditor General's Report was prepared, we had not been able to obtain sufficiently trustworthy information to answer the queries, and since then we have been thoroughly investigating the questions raised (which are of importance), and we hope very shortly to be able to give a full reply to the Comptroller and Auditor General.

2726. In paragraph 25 of his Report, the Comptroller and Auditor General has raised questions as to what appear to be excessive deficiencies in rates in the pound of general expenditure at the different yards in similar conversion shops; after giving examples of the comparative results, he states that "the natural inference is that high rates of general expenditure mean uneconomical working"; does the Admiralty take that view?—The general expenditure is another case which we are investigating. I may say that as regards these Manufacturing Accounts they are not altogether satisfactory. We have been gradually progressing with the revision of the Expense Accounts, and it has not been possible to deal with this matter before. We are collecting information with regard to the general expenditure, with a view to assimilating the system of charge at each dockyard. High rates of general expenditure in shops do not always signify uneconomical working. Circumstances sometimes prevent the charges or expenditure which is going on in a shop being allocated to particular work; and if it cannot be so allocated when there are a large number of small jobs in hand, for instance, a greater proportion is debited to the head of General Expenditure.

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[Continued.]

DOCKYARD EXPENSE AND MANUFACTURING
ACCOUNTS.

FOREIGN YARD ACCOUNTS.

Chairman.

2727. Last year further information was promised by the Admiralty with regard to the intra-departmental examination of the Foreign Yard Accounts; the Comptroller and Auditor General has received a communication, from which it appears that at nearly all the foreign yards the examination of accounts is entrusted to officers of Her Majesty's ships, but that the absence of the ship to which the officer belongs sometimes prevents the check being applied. I think that the whole subject of securing a better examination of these accounts is under the consideration of the Admiralty, is it not?—It is. The question of the administration of the foreign yards is under the consideration of the Admiralty, and directions have recently been given for the system of accounts of the foreign yards to be investigated in association with this inquiry and reported upon with a view to a definite settlement being come to.

2728. Does the Admiralty share the impression that these accounts are of the unsatisfactory character which the Comptroller and Auditor General reports?—The work done at the foreign dockyards differ materially, and under those circumstances the information recorded in the accounts may not properly reflect the character and cost of the employment of the workmen, &c. At present the Admiralty do not consider the accounts altogether satisfactory.

CAPITAL ACCOUNT.

Chairman.

2729. The Comptroller and Auditor General in his Report calls attention to the values given under the various heads in connection with this account, and as to the necessity in several cases of a new valuation; is the Admiralty undertaking the new valuation?—The Admiralty took steps in the matter some short time ago, and the Financial Secretary contemplated obtaining an authoritative valuation, but it was found that the cost would be so great that it almost precluded its being done; the fee named was 15,000 guineas, I think. As regards the value of the machinery, that also is a complicated matter; we show the value of the machinery in the Expense Accounts at the present time; but it is rather a building up of a series of expenditure from year to year than any proper valuation which would make allowance for depreciation, &c.; also as regards the floating plant of the dockyard, which is of considerable value (perhaps it would be a quarter of a million in all the dockyards), there is a great difficulty in ascertaining what all the various materials in different stages of wear are worth. It is so very difficult to present a proper Capital Account without going to great expense, that the inclination at the present time is to leave out the Capital Account from the Expense Account except in so far as it relates to stores in stock.

DOCKYARD EXPENSE AND MANUFACTURING
ACCOUNTS.

Capital Account—continued.

Mr. Barran.

2730. Do I understand you to say that the value of the plant in the dockyards would be about a quarter of a million?—Roughly speaking; we obtained a very rough valuation some time ago, in which it was fixed at something like a quarter of a million; that comprises chains, shores, hawsers, stagings, furniture, carts, boats, and ropes, and the like.

2731. Not the fixed plant?—No, all the moveable plant; it is the fixed plant which we cannot get the value of.

2732. The quarter of a million is only the loose plant?—Only the loose plant.

Chairman.

2733. (To Sir C. L. Ryan.) Have you any observation to offer on the suggestion that the Capital Account on some of these heads is not of much value?—I should say certainly it is not of much value as it is now compiled or valued; I should like to reserve any consideration of what would be the best way of dealing with it till I hear what the Admiralty have to say.

Mr. Jackson.

2734. What is the object of having a Capital Account of this kind?—I think Mr. Gordon Miller will be able to explain that better than I could.

2735. (To Mr. Miller.) Supposing you had paid the 15,000 guineas, and had had the valuation made, in what way would the information so obtained have been applied to any useful purpose?—I do not think it would have been of any value whatever, provided we have a proper Stock Account; it is important that we should know the value of our stock of stores in the dockyards.

2736. That I quite understand; but I am referring to valuation of the land?—As regards a valuation of the buildings, docks, and land upon which the dockyards stand, I do not think that that can be of any practical value. It would be satisfactory only if we could establish a reliable first charge, but the difficulties seem insuperable.

2737. In what way would it affect the cost of manufacture?—In no way, because we make no allowance for interest upon capital.

2738. Therefore whether the value of the land be 5 s. or 5 l. per yard does not make any difference in the cost of building a ship?—None whatever.

Mr. Barran.

2739. Would it not enable you, in calculating the Establishment expenses, to make a better comparison between the cost of the work done by contract, and work done in the dockyards, if you knew the value of your property and the rent that you would be paying for it; that would enable

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[Continued.]

DOCKYARD EXPENSE AND MANUFACTURING
ACCOUNTS.

Capital Account—continued.

Mr. Barran—continued.

enable you to get a nearer approximation to the actual cost than you can get at present, would it not?—It might be interesting for that purpose.

2740. Would it not be useful for that purpose?—It might be useful for that purpose; but it would be an extremely difficult thing, I think, to arrive at a fair estimate of the value of the land, docks and buildings in our dockyards.

DOCKYARD EXPENSE AND MANUFACTURING
ACCOUNTS.

Capital Account—continued.

Mr. Barran—continued.

2741. But in the absence of that information, can you ever compare the cost of the productions of the dockyards with those of private yards?—We make no attempt to do that, in so far as any matter of interest in capital is concerned.

2742. Would you never be able to do that without such a valuation?—We should never be able to do so without a proper valuation.

[Mr. Miller withdrew.]

VICTUALLING EXPENSE AND MANUFACTURING ACCOUNTS.

Mr. H. F. R. YORKE, called in; and Examined.

Chairman.

2743. (To Sir C. L. Ryan.) SUPPOSING that the Bill which you have already spoken of were passed the preparation of the Victualling Expense Accounts would be necessary, would it not?—I understand that the Bill would include the Victualling Yards, which would require an Expense Account of some kind.

2744. (To Mr. Yorke.) The offer which was made to prepare for the year 1886–87 a Summarised Balance Sheet, and a Stock Valuation Account for the Home Yards, has, I think, been withdrawn, and the Comptroller and Auditor General was asked whether he desired to press for the preparation of this account; is that so?—Yes.

2745. (To Sir C. L. Ryan.) On your part I understand you rather object to the onus of deciding the question whether such an account shall or shall not be prepared being thrown upon you?—Certainly; I do not think that I am the proper person to decide the question.

2746. You hold that under the new scheme of Estimates it will almost be a necessity to revive these accounts?—I think that if the Distribution Scheme is given in the Estimates, it will become a necessity.

2747. (To Mr. Yorke.) I suppose you would admit that?—I should like, first, to say that the Distribution Scheme is not in the Estimates; it was taken out this year.

2748. There was a distribution of the Estimates last year, was there not?—Yes; it was put in for one year, but it was taken out this year.

Chairman—continued.

2749. Then do you think that if the Bill were to pass it would still not be necessary to lay the Victualling Accounts before Parliament?—As regards the Bill I cannot speak, because I have not seen it; but as regards the Victualling Expense Accounts, I can only say that the Admiralty did not consider they were necessary or useful for their purposes, and they advisedly abolished them.

Mr. Jackson.

2750. Though you have not seen the Bill, let me ask you, assuming that the Bill imposes the duty upon the Comptroller and Auditor General to audit the Expense Accounts, what would be the basis of his calculation?—He must have the Expense Accounts prepared, certainly. I gave that answer because I had not seen the Bill, but I understand privately that, as regards the Victualling Expense Accounts, the Bill provided merely that if the Victualling Expense Accounts were introduced, it gave the Comptroller and Auditor General power to criticise them. I am speaking only from what I have been told privately, and not from any knowledge of the Bill.

Chairman.

2751. (To Sir C. L. Ryan.) On the other hand, you tell us you believe that under the Bill it would be necessary to lay the Victualling Expense Accounts before Parliament?—It all depends upon the shape in which the Bill passes.

[Mr. Yorke withdrew.]

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Mr. RYDER, C.B.

[Continued.]

ARMY MANUFACTURING ACCOUNTS.

Mr. RALPH HENRY KNOX, C.B., called in; and Examined.

Chairman.

2752. (To Sir C. L. Ryan.) THE Army Manufacturing Account has not hitherto been examined and reported upon, I think?—It has not so far as Woolwich and Enfield and other Ordnance Accounts are concerned.

2753. If you are authorised to do so under the Bill, of which you have just now spoken, you will examine these Accounts and report upon them, will you not?—I shall.

2754. If not, there will be no Report presented

Chairman—continued.

next year?—If not, there will be no Report next year.

2755. (To Mr. Knox.) Can you say anything on behalf of the War Office upon that matter?—I do not think any objection would have been raised to the examination of that Account, even supposing that a Bill were not introduced. I think it was always open to the Comptroller and Auditor General to examine it, with the approval of the Treasury, without any Bill. We should have raised no objection.

PAYMENTS BY INDIA FOR HOME EFFECTIVE CHARGES.*Chairman.*

2756. In answer to Question 1693, you informed the Committee that there was a hope of Lord Northbrook's Committee on India and Home Charges would report before this Committee concluded its labours for this Session; can that hope still be entertained?—The Committee has sat on several occasions, and got through a considerable amount of work, and I think Lord Northbrook is agreed upon the award which may be taken to settle two of the years which are

Chairman—continued.

outstanding; that is, up to March 1887. For the year up to March 1888 he has called for further information, which it has been necessary to obtain from the military authorities of the various military districts. We knew that it would take some little time to compile this information, but it has not yet come in, and it may take some little time longer. But I am still not without hope that we may make some further advance before the end of this Session.

[Mr. Knox withdrew.]

ARMY APPROPRIATION ACCOUNTS.

On VOTE 1.

PAY OF CHIEF PAYMASTER, EGYPT.

On VOTE 23.

DISABILITY PERMANENT PENSIONS INCREASED BY GOOD CONDUCT PAY.

The Right Honourable EDWARD STANHOPE; Examined.

Chairman.

2757. I THINK you have had an opportunity of seeing the evidence which was given before this Committee by Mr. Knox and by Sir Charles Ryan, and on behalf of the Treasury, on the subject of the claim of the Secretary of State to be the sole interpretation of Royal Warrants?—I have seen that evidence.

2758. I believe you have something to say to the Committee upon that subject?—I should like to say to the Committee that I have claimed to be the interpreter of Royal Warrants, both because I believe that that is the proper and legal interpretation of the power of the Secretary of State, and also because I believe it would be of the greatest possible advantage on the whole for the administration of the Army, that the Secretary of State should have that power of interpretation. I think that the Committee is well aware that I do not claim for a moment to supersede in any

Chairman—continued.

way the jurisdiction of the Treasury supposing that any case arises that is clearly outside any existing Royal Warrant. In those cases we admit fully that we ought to go to the Treasury, and that we ought not to put the country to any additional expenditure without obtaining the sanction of the Treasury for it. But what I have claimed, and what I believe my predecessors have always claimed, has been that we are the sole interpreters of Royal Warrants, that we should put upon a Royal Warrant such reasonable interpretation as from all our knowledge of the circumstances we are able to put upon it, and as to that interpretation in respect of what is within our powers, and what is not, we should be the sole judges, and should not be overruled by the Treasury. That is the general contention that we put forward.

2759. The Treasury have stated to the Committee

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[Continued.]

ARMY APPROPRIATION ACCOUNTS.

Votes 1 & 23.—Pay of Chief Paymaster, Egypt.
—Disability Permanent Pensions Increased
by Good Conduct Pay—*continued.*

Chairman—continued.

mittee that they "hold that these powers were given, and wisely given, not as between the War Office and other Departments, but for the defence of the Secretary of State against the officers and soldiers who were dealt with under the Warrants, as without such powers the working of the whole Department might be embarrassed." To that extent I understand the right of the Secretary of State to be the sole interpreter of Royal Warrants is fully admitted by the Treasury?—I think that is so. It is obvious, if the Committee will consider the matter for a moment, that it is a very great advantage that the Secretary of State should have this power, for what happens at present is this: supposing a case arises which is undoubtedly within the spirit of the Royal Warrant, and was intended to be covered by the Royal Warrant, and the Secretary of State is inclined to interpret it so as to include the case, the case would be met by his interpretation; but if the Warrant is to be interpreted by the Treasury if the Treasury looks upon the case as being outside the Warrant, then what happens at present is that we draw up another Warrant, or we make an alteration in the Warrant in such a way as to include the case, and in so doing we let in a multitude of other demands which arise in consequence of the alteration in the terms of the Warrant.

2760. But taking the case of a doubtful interpretation of the Warrant, involving the expenditure of money, supposing that that Warrant has been interpreted in a certain manner habitually, and that then a new interpretation is put upon it, perhaps, by a new Secretary of State, which results in a new expenditure of public money, would not the Treasury, by their constitutional position, be entitled to make a remark upon such an interpretation of the Royal Warrant?—I think it would hardly be so if you once admit the principle which you have stated, that, as a rule, the Secretary of State shall be the interpreter of the Royal Warrants. It is utterly impossible for any one Secretary of State to foresee all the cases that may arise in the future, and therefore it may very well be that one Secretary of State may have ruled that a particular case is not within a Warrant, but when a similar question comes up again, perhaps, under somewhat altered circumstances, or under conditions which may slightly vary the aspects of the case, I can quite conceive it possible, indeed, I might think it quite right, that a new Secretary of State should give a new decision, which would practically overrule the decision of his predecessors.

2761. The case was brought before us of certain disability permanent pensions increased by good-conduct pay, and although the Treasury ultimately gave way, and were prepared to sanction the arrears, they raised the whole question as to the Secretary of State being the sole interpreter of Royal Warrants upon that point;

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ARMY APPROPRIATION ACCOUNTS

Votes 1 & 23.—Pay of Chief Paymaster, Egypt.
—Disability Permanent Pensions Increased
by Good Conduct Pay—*continued.*

Chairman—continued.

would not the Treasury by their constitutional position be entitled to express an objection if the Secretary of State put an interpretation upon a Royal Warrant of this kind which led to increase of expenditure?—It seems to me that the effect of that would be to make the Treasury the interpreters of the Royal Warrant which the law officers of the Crown say they are not. Pray observe that I do not claim for a moment to be free from the financial control of the Treasury; I only claim that within the terms of the Royal Warrants we are entitled to interpret the cases that arise.

2762. Do not most of those cases arise on Royal Warrants, and if the contention you refer to were carried to its full extent, would it not practically be ousting the Treasury from the position of having a voice on all these points in which an increase of expenditure is likely to arise?—I think not; in the greater number of cases that arise in this way it is said at once, "This case is outside the Warrant; the Warrant clearly does not include it, and therefore we must go to the Treasury;" but when we are clear that it is the intention of the Royal Warrant that it should include the particular case, then we act upon the power which we believe we possess of interpreting the Royal Warrant.

Mr. Barran.

2763. Is not this a question rather of degree than one of principle?—I think in this sense it is a question of principle that we claim to interpret what is or is not within the Royal Warrant; if it is outside the Warrant we claim no power whatever; the question must then go to the Treasury.

2764. But if it is within the Royal Warrant, as I understand it, it becomes rather a question of degree; you think you have the right to exercise your judgment in carrying out the Royal Warrant?—That is so.

Mr. Sydney Buxton.

2765. Practically you contend the Treasury have no right to criticise your interpretation of the Warrant?—That is so.

Sir Walter Barttelot.

2766. At the commencement of your remarks you said that if you interpret the Warrant one way, and the Treasury interpret it in another, you would alter the Warrant, and that might let in many other cases of a very different character to the one for which you intended to interpret it; and you think that that is very objectionable, and may lead to much greater expenditure than if you were to interpret the Warrant alone?—I might perhaps just explain a little more fully what I meant by that. What I meant was this, that sometimes a case arises which the Treasury decide to be outside the Warrant, and then the result is this, that the Warrant is altered, that is

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to

3 July 1889.]

Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B.,
Mr. RYDER, C.B., and the Right Hon. E. STANHOPE.

[Continued.]

ARMY APPROPRIATION ACCOUNTS.

Votes 1 & 23.—Pay of Chief Paymaster, Egypt.
—Disability Permanent Pensions Increased
by Good Conduct Pay—*continued.*

Sir Walter Barttelot—continued.

to say in order to meet one particular case which might have been dealt with easily by the Secretary of State, the Warrant is altered in such a way as to let in a number of other claims. I know that there are numberless cases in the War Office where undoubtedly we have let in new claims by the fact of altering a Royal Warrant; whereas if we had interpreted it in accordance with what we believe to be the equitable interpretation of the Warrant, we might have got over the difficulty easily enough.

2767. In the particular case so dealt with the claim may have been a very good one, and in the other cases the claims might be not of the same character, but still you would have to deal with them on account of the alteration being made in the Warrant?—That is so.

Mr. Barran.

2768. In fact, if you had dealt with the case under the powers of the common law, so to speak, instead of statute law, the difficulty might have been got over?—I think we must rather introduce equity into it, must we not.

2769. Perhaps I should say rather equity instead of statute law?—Yes, I think so.

Mr. Sydney Burton.

2770. Can you say why it is that the War Office stands in a very different position to the Admiralty in this matter, who appear to have no power of interpreting their own laws, but are subject to Treasury control, whereas the War Office claim to interpret these Warrants for themselves?—I do not know why that should be. I believe it is always mentioned in the preamble of the Warrant that the Secretary of State has the sole power of interpretation; but I know of no reason why we differ from the Admiralty in that respect.

2771. Can you say whether it is only a difference in administration?—I do not know enough about the question to be able to state what the reason is.

Chairman.

2772. I gather you are not aware of the fact that with the sole exception of the Greenwich Hospital Accounts, no claim similar to that which is made by the Secretary of State for War is advanced by any other Department, to be free from Treasury control in this matter of departmental rules and regulations?—I have understood that that is so; but I would like to point out to the Committee that our case is very different from that of any other Department, because the number of Royal Warrants, governing as they do the position of all the officers in every branch of the service, in the case of the Army is so very great, that the cases arising are very numerous and very difficult to interpret, and are different in character and degree from those that could possibly arise in any other Department.

ARMY APPROPRIATION ACCOUNTS.

Votes 1 & 23.—Pay of Chief Paymaster, Egypt.
—Disability Permanent Pensions Increased
by Good Conduct Pay—*continued.*

Chairman—continued.

2773. Still the effect of accepting in its fullest meaning the view which you take of the right of the Secretary of State to be the sole interpreter of the Royal Warrants, would be to make your Department more independent of Treasury control than any other Department, would it not?—I think it would not be so in practice, because we are so tied down by Warrants in every direction. Members of the Committee can hardly conceive how we are tied down in every direction by the literal terms of Royal Warrants.

2774. My question was rather as regards the Treasury control; you would still be under the control of your own Warrants no doubt, but you would be more independent than any other Department of Treasury control, would you not?—That is so; but then the Treasury control is not so important when the Department is already controlled in every direction by Warrants which have been approved by the Treasury.

2775. Would not the result of carrying this claim on the part of the War Office to its full extent be, that the Treasury would refuse to sanction any future Royal Warrants which contained that preamble, constituting the Secretary of State the sole interpreter of Royal Warrants; has not the Treasury got that control in its hand by refusing to sanction any other Royal Warrant containing that preamble?—I do not think the Treasury could exercise that power without an appeal to the Cabinet. Unquestionably the opinion of the Cabinet would be taken upon such a change as that.

2776. As regards all new Warrants, the Treasury control comes in at the moment of granting the Warrant in that way, does it not?—Yes; but the clause which you refer to is one that has always been put into Royal Warrants.

2777. You are probably aware that the Committee of Public Accounts had part of this question before them in 1884, and that in paragraph 141 in their Report of that year they said, "Your Committee hold that, so far as practicable, the intention of a Royal Warrant, according to the simple and ordinary meaning of the language, should be acted upon, and that all deviations from this plain rule will lead to inconvenience. Also that, whenever a discretionary interpretation becomes necessary, that interpretation should not be opposed to, but in harmony with, the natural meaning, intention, and purpose of the Warrant. That there is, in short, a limit to be placed on the power of interpretation; and that when, in special cases, or under unforeseen circumstances, it becomes necessary to deviate in any way from the plain meaning of a Warrant, the concurrence of the Treasury should be obtained?—I agree with that absolutely."

2778. (To Mr. Ryder.) On behalf of the Treasury, do you wish to make any remarks upon the statement which Mr. Stanhope has just made?

3 July 1889.]

Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B.,
Mr. RYDER, C.B., and the Right Hon. E. STANHOPE.

[Continued.]

ARMY APPROPRIATION ACCOUNTS.

Votes 1 & 23.—Pay of Chief Paymaster, Egypt.
—Disability Permanent Pensions Increased
by Good Conduct Pay—*continued.*

Chairman—continued.

made?—There is one thing that Mr. Stanhope said which I should like to make a remark upon. I rather think that the Committee might gather from one part of his evidence that the Treasury went so far as to require reference to them whenever there was a question of the interpretation of an Army Warrant. That is not so. Of course, whenever an officer, we will say, applies for his pension, the Secretary of State must refer to the Warrant, and a determination must be arrived at as to how far the application of the officer can be granted within the terms of the Warrant. If there is no doubt upon the subject, no reference need be made to the Treasury, because the Secretary of State is undoubtedly the primary interpreter of the Warrant. Some doubt affecting public expenditure must arise before the Treasury intervenes and claims a right to interpret. If the Secretary of State finds that a particular interpretation has been put upon the Warrant by his predecessor, which he wishes to override; and again, if the Comptroller and Auditor General questions the interpretation of the Secretary of State, the Treasury would claim that reference should be made to it. Perhaps I might add, that what we understand by the terms "sole interpreter" and "sole administrator" in the preamble of the Warrant (which are words for which we may be held to be partly responsible, so far as they occur in the preamble of Warrants which the Treasury approves) is, that the Secretary of State is the sole interpreter and administrator externally in relation to the public, and especially to the Army and its Departments. The Treasury only claims to have a voice where there is any doubt as to the interpretation which the Secretary of State decides to adopt, and when the matter concerned is one increasing the public expenditure.

2779. Do you wish to say anything further upon this point?—I do not know that I need say anything further, unless I have not made my meaning clear.

2780. (To Sir C. L. Ryan.) Do you desire to say anything further than what is said in your Report upon this subject?—I really have nothing else to say than what has been said in my Report already. Of course, the primary onus in this matter rather lies upon the Comptroller and Auditor General, because in these cases he is the first person who ascertains that an interpretation has been put upon a Warrant which seems to him to be strained. I may say, adopting what Mr. Ryder has said, if what we consider the ordinary natural meaning and interpretation is put upon a Warrant no question arises; we have nothing to say, and it passes. But if an interpretation is put which we think the Warrant does not justify or sanction, then it becomes my duty to raise the question, and I raise it, of course, partly with regard to the Treasury, and partly with regard to Parliament. If the Treasury give their consent

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ARMY APPROPRIATION ACCOUNTS.

Votes 1 & 23.—Pay of Chief Paymaster, Egypt.
—Disability Permanent Pensions Increased
by Good Conduct Pay—*continued.*

Chairman—continued.

to an alteration of the Warrant, which they can do under their dispensing Warrant, or in any other way, then the payment becomes regularised, and I carry the matter no further. If the Treasury were to give their consent in a way which would seem to me to be wrong, I might then feel it my duty to Parliament to notice the point, and to bring it before the consideration of this Committee, but under ordinary circumstances I should not do so. If the Treasury refuse their consent, then, as the interpretation put upon Warrant would not have the consent of the supreme financial Department, it would, undoubtedly, under the Exchequer and Audit Act, be my duty to bring the matter before Parliament to be considered by this Committee.

2781. So that there would always remain that check upon the right of the Secretary of State to interpret a Royal Warrant, a check which is conferred upon you by statute?—It is my duty under the statute, as I understand it, confirmed by the opinions of the Public Accounts Committee in several years in which the matter has been before them (I can give the references if necessary), to notice any payment made under a Royal Warrant which does not seem to me to be covered by the terms of the Royal Warrant, or any interpretation of a Warrant which seems to me to be a not natural, plain, and reasonable interpretation.

2782. You refer, I presume, to the decisions of the Public Accounts Committee in 1877, 1883, and 1887?—Yes, and in 1884 and 1886.

Mr. Wodehouse.

2783. (To Mr. Stanhope.) Do you contend that where you have applied a Warrant in a certain way, and the Treasury regards that application of the Warrant as a misinterpretation of it, the Treasury should sanction the payment in deference to your judgment, though they may hold that it would be a misinterpretation?—Someone must be the interpreter of the Warrant, and I claim that I am the legal interpreter of the Warrant.

2784. Therefore you would contend that the Treasury in such a case would be bound to defer to your interpretation and to sanction it?—I think so.

2785. When the opinion of the Law Officers was obtained, which declared the Secretary of State to be the sole interpreter of Royal Warrants, it was not taken on this particular case, was it?—No; it was taken generally, I think.

2786. This case seemed to come in incidentally; I understand the controversy was going on with the Treasury upon some other issue?—The opinion of the Law Officers was not taken upon this particular issue; that is quite true.

2787. Do you suppose that the case which now

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arises

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Mr. HAMILTON, C.B., Sir C. L. RYAN, K.C.B.,
Mr. RYDER, C.B., and the Right Hon. E. STANHOPE.

[Continued.]

ARMY APPROPRIATION ACCOUNTS.

Votes 1 & 23.—Pay of Chief Paymaster, Egypt.
——Disability Permanent Pensions Increased
by Good Conduct Pay—*continued.*

Mr. Wodehouse—continued.

arises of a difference of opinion between the Treasury and yourself was present to the minds of the Law Officers of the Crown when they gave that opinion?—I think so; I think their opinion clearly covers this.

2788. You think it covers every possible case?—Yes.

2789. You think, therefore, it would not be worth while to submit the case again to the Law Officers in view of this present case?—I should like to consider that matter a little further; but, so far as I can judge at present, I think the opinion of the Law Officers covers it.

2790. But I understand that you will consider that matter further?—Certainly.

Mr. Barran.

2791. When you say you consider that the Secretary of State is by the preamble of the Royal Warrant the sole interpreter, does that apply to the Secretary of State in his relation to the Treasury, or to the Secretary of State in relation to the service?—It applies, of course, to his relation to the service, but I think that it is binding upon the Treasury as well. That

ARMY APPROPRIATION ACCOUNTS.

Votes 1 & 23.—Pay of Chief Paymaster, Egypt.
——Disability Permanent Pensions Increased
by Good Conduct Pay—*continued.*

Mr. Barran—continued.

is our contention; and we are fortified in that contention by the opinion of the Law Officers that my interpretation is binding upon the Treasury.

2792. Do you feel that if you had not that supreme power it would be very inconvenient, as regards the service, if you had to appeal to the Treasury upon questions of comparatively minor importance?—I think that it would be exceedingly inconvenient to the public service; and I can only say that, so far as I am concerned, the power has been exercised with great diffidence. I have been reluctant to exercise the power where I thought that there was any doubt about it at all; and I have only exercised the power in a sense that the Treasury might not possibly approve in cases which seem to me to be exceedingly clear.

2793. You will, of course, understand that I am not dealing with the question in connection with you, personally, but as regards the service generally; is it not a principle that those who have to administer must have some latitude?—Yes; I entirely agree with that view.

[The Witnesses withdrew.]

A P P E N D I X.

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A P P E N D I X.

Appendix, No. 1.

PAPER handed in by Sir C. L. Ryan, K.C.B., 27 March 1889.

MEMORANDUM ON THE NAVY EXPENSE AND ARMY MANUFACTURING ACCOUNTS.

(a.)—NAVY EXPENSE ACCOUNTS.

THE question of the Audit of Navy Expense Accounts was brought to the notice of the Public Accounts Committee as far back as the year 1880, when the Comptroller and Auditor General commented upon the fact that certain charges in the cash accounts were so bound up with results in the expense accounts, that the examination of cash could not be considered complete without the examination of expense. Upon this the Committee acknowledged the desirability of the presentation of expense accounts concurrently with the Navy Appropriation Account.

2nd Report, 1880.
Qs. 475 to 478.
Pp. 245 (Sess. II.)
1880.

Report of Comptroller
and Auditor General.
Navy 1878-79.
par. 47. Pp. 64.
Sess. 1880.

In 1882, the matter was more fully adverted to by the Public Accounts Committee, who recommended that the accounts should be submitted to the Comptroller and Auditor General for a Report, to be referred to themselves. The Treasury, in their minute, considered the whole question to be a very important one, requiring to be dealt with in a separate and special minute.

Report, 1882,
para. 131 and 132.
Pp. 269, Sess. 1882,
p. xx.

The subject does not appear to have been further adverted to for some years.

In November 1886 was issued the printed Treasury minute authorising the independent audit of store accounts by the Comptroller and Auditor General.

(Treasury No. 17,540-86).

This minute provided that the Comptroller and Auditor General should satisfy himself that existing regulations secured efficient control by the departments over the receipt and disposal of stores; and after the recommendation of the Public Accounts Committee of 1882, it was construed, in its bearing on Navy accounts, in a liberal sense as covering not only receipt and disposal of stores in quantities but also in values. In other words, the operations of "disposal" were not limited to the first or "stores" stage of accounting, but were carried to their ultimate destination, the annual expense accounts, in which the product of the grants of Parliament is worked out under "Ships Building," "Ships Repairing," &c.; and by which Parliament should be enabled to see the outcome of the votes as against the programme put forward in the Estimates.

3rd Report, 1888.
Pp. 405, Sess. 1888.
Appendix, p. 25.

In these circumstances a test examination of the Expense Accounts was made for the year 1886-7, and a Report presented to Parliament. This Report was not dealt with by the Public Accounts Committee. It was, however, referred to in the proceedings of the Navy Estimates Committee, 1888, and evidence was elicited that generally speaking its suggestions were being adopted.

Qs. 6334-5.
Qs. 6388-6402.

At this time the general question as to whether the Comptroller and Auditor General might not be authorised to examine the expense accounts under the 33rd section of the Exchequer and Audit Departments Act, was the subject of consideration; but it was held by him on the broad ground of policy that, at a time when the Admiralty was in a state of change with regard to the internal check of Store and Expense Accounts, and might be disposed to lean upon the test audit of his department to an undue extent, the Comptroller and Auditor General's position should be clearly defined, and that it was undesirable to proceed further upon any authority less than that of Parliament itself.

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In

2nd Report, 1888,
pp. xxi-xxii.
Pp. 317, Sess. 1888.

In the Session 1888 the Public Accounts Committee had before them formally the Expense Accounts question and, in their report, stated, that they understood that in the absence of specific instructions from Parliament, the Comptroller and Auditor General did not propose to proceed further with the examination of those accounts, but that they believed much advantage would be derived from subjecting the Expense Accounts to his criticism, and that steps should be taken to bring this about.

Following upon this, the Treasury in their minute of 10th January 1889, referred in favourable terms to the past action of the Comptroller and Auditor General, and urged the great importance of continuing the work he had begun. They suggested that some arrangement should be come to for immediate recommencement of the abandoned test; and stated that they would forthwith take steps to regularise the Comptroller and Auditor General's position by legislative enactment.

Examination of Expense Accounts has therefore been re-commenced, and a Report is being prepared on the Accounts, 1887-88.

(b.)—ARMY MANUFACTURING ACCOUNTS.

In the Estimates for the year 1888-89 a new departure was made in regard to the Ordnance Factories.

Ordnance Factories
Estimates, 1888-89.
Army, 1,152,430 l.
Navy, 1,143,570 l.

These establishments were withdrawn from the Army Estimates, and included in one vote, upon a self-supporting basis with very large appropriations in aid from Army and Navy Votes.

These Appropriations connote equivalent payments out of Army and Navy votes, for which the vouchers would be certified Returns of Cost of Production at the Ordnance Factories, under the hands of Ordnance Factory Officers.

In effect, Parliament would be dependent upon statements of cost, and results of manufacture, to which no external examination had been given, unless the Comptroller and Auditor General instituted a test audit that would verify not only the appropriations in aid of the Factories Vote, but the charges in the Army and Navy Accounts.

Feeling the responsibility cast upon him, but without sufficient staff to meet the emergency, the Comptroller and Auditor General addressed a letter to the Treasury on 17th December 1888 explaining his difficulties.

To this the Treasury replied concurring in his views; and arrangements are now almost complete, by which the Accounts for 1888-89, and for future years, will be tested.

(c.)—COST OF AUDIT.

Total Cost, 3,440 l.
Total Numbers, 21.

The particulars of the scheme propounded by the Comptroller and Auditor General as bearing upon cost and additional numbers, for both services combined, are as follows:—

	£.
1 First-class Clerk - - - - -	620
2 Second-class Clerks (1st section) - - - - -	840
21 Lower Division Clerks - - - - -	1,680
24	3,140
3 Less: Second Section vacancies not filled up - -	1,200
	1,940
Add, travelling, subsistence, &c. allowances - -	1,500
* 21 Net increase of Numbers. Net increase of Cost	£. 3,440

* The increase of numbers will, however, be considerably less than above stated, in consequence of the adoption of the Seven Hours System.

25 March 1889.

Appendix, No. 2.

PAPER banded in by Mr. *E. W. Hamilton*, C.B., 10th April 1889.

Dispensing Order in Council.—Admiralty.

Changes in Establishments and Salaries of the Civil Departments.

At the Court at Windsor, the 29th day of November 1879.

Present:—The Queen's Most Excellent Majesty in Council.

WHEREAS there was this day read at the Board a Memorial from the Right Honourable the Lords Commissioners of the Admiralty, dated the 18th of November 1879, in the words following, viz:—

“Whereas considerable changes have within the last few years been made in the Establishment of the various Civil Departments of the Admiralty, and in the Salaries of Officers therein, for which the sanction of Your Majesty in Council has not yet been obtained: We, therefore, humbly submit that Your Majesty in Council may be now pleased to sanction these changes.

“And, whereas, it seems to us desirable, in the interest of Your Majesty's Service, that Your Majesty in Council should authorise us to make in future, with the concurrence of Your Majesty's Treasury, such changes in the Establishments of the said Civil Departments of the Admiralty, and in the Salaries of the Officers therein, and also to issue such instructions to the Officers of the said Departments, as we may from time to time deem necessary.

“We humbly submit that Your Majesty in Council may be pleased to authorise us to act accordingly.”

Her Majesty, having taken the said Memorial into consideration, was pleased, by and with the advice of Her Privy Council, to approve of what is therein proposed. And the Right Honourable the Lords Commissioners of the Admiralty are to give the necessary directions herein accordingly.

(signed) *C. L. Peel*.

Dispensing Order in Council.—Navy.

Issue of Pay, Non-Effective Pay, and Allowances.

At the Court at Osborne House, Isle of Wight, the 19th day of December 1881.

Present:—The Queen's Most Excellent Majesty in Council.

WHEREAS there was this day read at the Board a Memorial from the Right Honourable the Lords Commissioners of the Admiralty, dated the 13th of December 1881, in the words following, viz:—

“Whereas occasionally individual cases arise in which it is desirable to grant Pay, Non-Effective Pay, and Allowances at rates other than those laid down in existing Regulations or Orders in Council; and whereas hitherto a separate Order in Council in each case has been issued by Your Majesty to authorise such exceptional Pay, Non-Effective Pay or Allowances; and whereas we are humbly of opinion that such a procedure is attended with delay and unnecessary correspondence.

“We most humbly submit that Your Majesty will be graciously pleased by Your Order in Council to authorise us, with the concurrence of the Lords Commissioners of Your Majesty's Treasury, to grant, in certain exceptional cases, Pay, Non-Effective Pay, and Allowances at rates and under circumstances other than those laid down in any Regulations approved by Your Majesty's Order in Council.

" Provided always that a list of the Grants thus approved as the Lords Commissioners of Your Majesty's Treasury may direct, and a statement of the grounds on which they have been made, shall be annually laid before Parliament.

" The Lords Commissioners of Your Majesty's Treasury have, by a letter dated the 2nd of December 1881, signified to us their concurrence in this proposal."

Her Majesty, having taken the said Memorial into consideration, was pleased, by and with the advice of Her Privy Council, to approve of what is therein proposed. And the Right Honourable the Lords Commissioners of the Admiralty are to give the necessary directions herein accordingly.

(signed) *Edmund Harrison.*

Royal Dispensing Warrant.—Army.

Issue of Pay, Non-effective Pay, and Allowances.

VICTORIA R.,

WHEREAS it has been represented to Us that it is expedient to make further provisions in respect to the issue of Pay, Non-effective Pay, and Allowances of Our Army, and its Departments.

OUR WILL AND PLEASURE IS, that it shall be competent for Our Secretary of State, with the concurrence of the Lords Commissioners of Our Treasury, to grant, in exceptional cases, Pay, Non-effective Pay, and other emoluments or allowances, at rates, or to persons, other than those mentioned, or under conditions other than are laid down in any of Our Warrants or Regulations.

Provided always that a list of such of the grants thus approved as the Lords Commissioners of Our Treasury may direct, and a statement of the grounds on which they have been made, shall be annually laid before Parliament.

IT IS OUR FURTHER WILL AND PLEASURE that Our Warrant of the 17th August 1881 be cancelled.

Given at Our Court at Balmoral, this 27th day of October 1884, in the Forty-eighth Year of Our Reign.

By Her Majesty's Command,
(signed) *Hartington.*

Appendix, No. 3.

PAPER handed in by Mr. *W. G. P. Gilbert*, 15th May 1889.SURPLUS STOCK of ELECTRO-PLATE, CHINA, EARTHENWARE, &c., at *Malta*.

THE articles were supplied on a Demand, dated May 1885, when, in view of an expected immediate outbreak of hostilities, their Lordships ordered the stocks of all stores to be largely replenished, more especially at *Malta*, where the Fleet was about to be largely increased. The value of the quantities asked for was:—

	£.	s.	d.
Electro-plate - - - - -	377	10	-
China and Earthenware - - - - -	197	2	-

The orders to increase the stocks having been telegraphed, the demands had to be prepared at the yards and acted on at the Admiralty under the greatest pressure, and without the careful detailed examination by the storekeeper, and scrutiny at the Admiralty, as to the more important articles which would under ordinary circumstances have been applied to them. Notwithstanding this, a subsequent careful review shows that, as a whole, they were well prepared, except in regard to some few special articles of minor importance, such as the electro-plate, china and earthenware referred to.

The *Malta* Demand consisted of eight parts. The part including the electro-plate, china and earthenware, consisted of 58 large folios, giving detailed information in regard to about 1,500 different descriptions of articles. It was received at Admiralty on 23rd May 1885, was submitted to professional officers on 30th May 1885 for decision as to supply of leather strips specially demanded for making hoses for Her Majesty's Ship "Escort," and on the 2nd June 1885, orders for the supply of the stores were written out and issued. At the same time similar demands from Her Majesty's Naval Yards in all parts of the globe were being received and acted on.

In the hurry of preparing this demand the *Malta* officers made a mistake in omitting to take into account the extent to which requirements would be met by articles of these descriptions being returned by ships and becoming available for issue.

In May 1887 the attention of the Admiral Superintendent at *Malta* was specially directed to the surplus stock of these articles, and he replied that the ordinary expenditure would gradually absorb it, and that it would be more desirable to retain the articles than to remove them. On further examination, however, he modified his opinion, and orders were accordingly given for the portion of the stock which is not expected to be required for use at *Malta* during a reasonable period, to be sent to England to be utilised, so as to reduce the further supplies to be purchased.

Appendix, No. 4

PAPER handed in by Mr. *W. G. P. Gilbert*, 15th May 1889.STATEMENT on page 208 of Appropriation Account for 1887-88 relating to STOCK of STEEL PLATES at *Malta*.

I HAVE investigated that statement, and learn as follows, viz.:—

- 1st. That the reserve stated to be "authorised by the instructions," did not apply when the stock referred to was provided. That reserve was decided on 14th February 1888, as the minimum quantity to be provided for.
- 2nd. That the reserve which was authorised on the date named, 31st March 1887, was approximately as follows:—

Boiler Plates	-	-	-	-	-	-	364	No.
Ships' Plates	-	-	-	-	-	-	276	"
Sheets	-	-	-	-	-	-	2,021	"
- 3rd. That the whole of the plates in question were provided on the urgent representations of the *Malta* officers that they were necessary.
- 4th. That they have been kept at *Malta* since, on account of the uncertain requirements of such a dépôt as *Malta*. It appears in regard to the boiler plates, that about 104 out of 955 have been utilised in the year ending 31st March 1888, and in regard to sheets that about 426 have been utilised in the same period. In the number of ships' plates there is not so great a reduction, but the whole stock is being watched with a view to its being utilised at *Malta* at the earliest date, or of bringing some of the plates home, if more advantageous to the service.

Appendix, No. 5.

PAPER handed in by Mr. *W. G. P. Gilbert*, 15th May 1889.

I DESIRE to supplement my replies to the questions dealing with the issue of stores and the alteration of the system as to checking the demands made by ships. The examination of the demands by the storekeeper was necessarily incomplete, as he could not, as I have already explained, examine into the correctness of the remains. On the other hand, by placing the responsibility upon the commanding officer as we now do, of not demanding more than the quantity necessary to complete his authorised establishment, we make him directly responsible. When his store accounts are examined the store department will see whether his demands were according to regulation, and if found to have been in excess he will be called upon for explanation.

Appendix, No. 6.

PAPER handed in by Mr. *W. G. P. Gilbert*, 15th May 1889.

"AGINCOURT'S" NAVAL STORE ACCOUNT.

THE discrepancies which were discovered on the examination of the account at the Admiralty have been divided into four categories, viz. :—

- (a.) Articles which, it was clear, should have been, but were not, on charge at the close of the account, and which were therefore ordered to be, and have been, placed on charge.
- (b.) Articles which, according to the vouchers to the account, should have been on charge at its close, but which it is reasonable to suppose had been properly used, and the value of which was too small to justify further correspondence.
- (c.) Articles which, according to the vouchers to the account, should have been on charge at its close, but which were balanced by surpluses of articles of similar descriptions, but of slightly different size or pattern.
- (d.) Articles which are shown to have been on charge at the close of the account in excess of the quantities which, according to the vouchers, should have been on board, and in respect of which there was no deficiency of corresponding descriptions.

For some time past it has been considered that the form of the Naval Store Accounts of Her Majesty's ships was susceptible of improvement, but this was a laborious work, as the accounts include about 4,800 different descriptions of stores used by engineers, gunners, boatswains, and carpenters, and the alterations necessary included the revision of about 50 different forms. The revision has been completed, and the new forms were issued to be brought into use on the 1st January 1889.

About 1,400 accounts are received annually, and until the accounts are rendered on the new forms it is more desirable to ascertain whether an account has been rendered faithfully, rather than to see that it is correct and balanced in every minute particular.

The "Agincourt" is one of the largest ships in the Navy and fully rigged, and considering the quantities of stores (value about 7,500 *l.*) she has in use and the inconvenient form of the account, the discrepancies did not appear to call for special notice, the balance of 12 months being under 10 *l.*

ARTICLES which, it was clear, should have been, but were not, on charge at the close of the Account, and which were therefore ordered to be, and have been, placed on charge.

(A.)

Page of Ledger.	ARTICLE.	Denomina- tion of Quantity.	Quantity.	CAUSE OF DEFICIENCY.
4	Punch for steamboat - -	Number	1	Supplied from Devonport on 30th December 1886, but not debited in ledger.
18	Scrapers' caulkers - -	"	4	Credit taken in ledger for return to Yard of 4, but no voucher from Yard forwarded to support the credit.
20	Hammocks - - - -	"	125	100 supplied from Devonport on 27th June 1887, but not taken in charge. Credit taken in ledger for expenditure of 34, but 32 only shown in Record of Expenditure. 23 deficient through error in totalling credits.
22	Awnings, boat, sun - -	"	1	20 shown on first charge in ledger, 1 received from Devonport in December 1886; no expenditure took place, but only 20 shown remaining.
23	Covers, boat - - - -	"	1	15 shown on first charge in ledger; 8 supplied from the Yard; no expenditure took place; 7 returned to the Yard; only 15 shown remaining.
	Covers, boat, awning - -	"	1	Supplied from Devonport on 30th December 1886, but not debited in ledger.
	Covers, boat, sail - - -	"	2	22 shown on first charge in ledger; 4 received from Yard; 22 + 4 = 26; 1 expended per Record of Expenditure, but only 23 shown as remaining.
25	Covers, ships', sail - -	"	3	5 supplied from Devonport on 1st December 1886, but only 2 debited in ledger.
29	Sail boat for steam pinnace -	"	1	Supplied from Devonport on 30th December 1886, but not debited in ledger.
35	Ensign, white, 18 breadths -	"	1	Supplied from Devonport on 2nd November 1886, but not debited in ledger.
45	Brushes, scrubber - - -	"	251	878 shown as remaining per last account, but only 667 taken in charge in this. 1,500 credited in ledger as expended, but only 1,460 shown in the Record of Daily Expenditure.
70	Cases, packing - - - -	"	1	Supplied from Portsmouth on 16th February 1887, but not debited in ledger.

Note.—These stores have been duly taken on charge in the subsequent Account.

ARTICLES which, according to the Vouchers to the Account, should have been on charge at its close, but which it is reasonable to suppose had been properly used, and the value of which was too small to justify further correspondence.

(B.)

Page of Ledger.	ARTICLE.	Denomina- tion of Quantity.	Quantity.	Rate when new, per Rate Book.	CAUSE OF DEFICIENCY.
4	Punch for cable - - -	Number	1	£. s. d. - 1 -	Credit taken in the ledger for greater quantity than was shown in the Record of Daily Expenditure as expended.
18	Needles, sail - - - -	"	3	- - ½	
37	Kersey - - - - -	Yards	5	- 4 9½	
	Thread, sewing - - -	Reels	8½	- 2 5½	
	Thread, shoemakers' - -	lbs.	¼	- - 3	
41	Lines, hand, lead - - -	Fathoms	2	- - 7	
46	Tar, mineral - - - -	Gallons	½	- - 1	
72	Powder, cleansing - - -	lbs.	8	- - 5	Credit taken in the ledger for return of 41 to the Yard, but receipt voucher received from Yard only showed 40.
73	Bags, bread - - - - -	Number	30	- 15 -	
46	Tubes, chemical, for Thomson's sounding machine.	"	1	- 1 1	
TOTAL - - - £.				1 5 8½	

Note.—As regards the tube, it is probable that 41 were returned to the Yard by the ship, but that one was broken in transit. With respect to the other articles, the quantities were probably used but omitted to be entered in the Record of Expenditure, from which the quantities used are discharged from the ledger.

ARTICLES which, according to the Vouchers to the Account, should have been on charge at its close, but which were balanced by Surpluses of Articles of similar descriptions, but of slightly different Size or Pattern.

(c.)

Page of Ledger.	ARTICLE.	Denomination of Quantity.	Quantity.		Value when New, per Rate Book.	
			Deficient.	Surplus.	Deficient.	Surplus.
20	Canvas, broad, No. 3 - - - - -	Yards.	77	- -	£. s. d. 3 10 7	£. s. d. - - -
21	Ditto - No. 5 - - - - -	"	- -	2	- - -	- 1 7
	Ditto - No. 8 - - - - -	"	- -	5	- - -	- 3 1½
	Canvas, narrow, No. 4 - - - - -	"	- -	114	- - -	3 16 -
	Canvas, worn - - - - -	"	- -	67	- - -	1 13 6
			77	188	3 10 7	5 14 2½
37	Twine, roping - - - - -	Lbs.	16	- -	- 12 -	- - -
	Twine, seaming - - - - -	"	- -	10½	- - -	- 8 11½
	Twine, seine - - - - -	"	- -	7	- - -	- 4 8
			16	17½	- 12 -	- 13 7½
38	Cordage, tarred, 5½ inch - - - - -	Fms.	- -	4	- - -	- 9 4
	Ditto - 5 " - - - - -	"	- -	100	- - -	9 11 8
	Ditto - 4½ " - - - - -	"	- -	18	- - -	1 8 1½
	Ditto - 4 " - - - - -	"	- -	6	- - -	- 7 4½
	Ditto - 3½ " - - - - -	"	- -	31	- - -	1 9 8½
	Ditto - 2½ " - - - - -	"	- -	18	- - -	- 9 9
	Ditto - 1½ " - - - - -	"	20	- -	- 4 2	- - -
	Ditto - 1 " - - - - -	"	- -	10	- - -	- 1 -½
	Ditto - ¾ " - - - - -	"	- -	25	- - -	- 2 1
	Ditto - ½ " - - - - -	"	32	- -	- 1 4	- - -
			52	212	- 5 6	13 19 1
42	Lines, white, 2½ lbs. - - - - -	No.	1	- -	- 1 7	- - -
	Ditto - 1 lb. - - - - -	"	- -	1	- - -	- - 8½
			1	1	- 1 7	- - 8½
43	Cordage, old, Boatwain's use - - - - -	Cwt.	6	- -	5 - 6	- - -
	Ditto - rounding - - - - -	"	- -	½	- - -	- 10 1
			6	½	5 - 6	- 10 1
45	Brooms, hair - - - - -	No.	6	- -	- 19 3	- - -
	Brooms, bass - - - - -	"	- -	14	- - -	- 14 10½
	Brushes, scrubber - - - - -	"	- -	8	- - -	- 8 10
			6	22	- 19 3	1 3 8½
46	Hides, leather, liquored - - - - -	Lbs.	1	- -	- - 10½	- - -
	Hides, dried - - - - -	"	- -	8	- - -	- 6 -
			1	8	- - 10½	- 6 -
TOTAL VALUE - - - £.					10 10 3½	22 7 5

Note.—19 deficiencies were originally shown as allowed, but in this list only 18 are shown, as one (20 fathoms of 3-inch cordage, value 15 s.) has, on further investigation, been found to have been shown in error.

ARTICLES which are shown to have been on charge at the close of the Account in excess of the quantities which, according to the Vouchers, should have been on board, and in respect of which there was no deficiency of corresponding descriptions. (D.)

Page of Ledger.	ARTICLE.	Denomination of Quantity.	Quantity.	Value when New, per Rate Book.	CAUSE OF SURPLUS.
				£. s. d.	
14	Lead, hand - - - -	Number	1	- 1 3	Less quantity taken off charge in the ledger than was shown in the Record Daily Expenditure as expended.
16	Rope, iron wire, $\frac{1}{4}$ inch -	Fathoms	29	- 1 10	
16	Awl blades - - - -	Number	1	- - $5\frac{1}{2}$	
46	Soap, soft - - - -	lbs.	52	- 5 3	
	Tallow - - - -	"	20	-	
47	Stones, hand - - - -	Number	240	1 6 8	
49	Beeswax - - - -	lbs.	$\frac{11}{16}$	- - 10	
50	Squeegees, handles for -	Number	2	- - $5\frac{1}{2}$	
19	Drums for soap - - -	"	4	- 2 -	4 returned to Yard, but no credit taken in ledger.
31	Bunting - - - -	Yards	39	- 8 -	10 less taken off charge in ledger than shown in the Record of Expenditure as expended, and 29 taken on voluntary charge.
43	Hammock clews - - -	Number	103	3 17 3	206 returned to yard, but only 103 credited in ledger.
45	Handles for scrubbers -	"	29	- 3 $7\frac{1}{2}$	33 less credited in ledger than shown as expended in Record of Daily Expenditure, less 4 not brought forward from former account.
TOTAL - - - £.				6 11 4	

Appendix, No 7.

PAPER handed in by Mr. *W. G. P. Gilbert*, 15th May 1889.

WITH reference to Questions 1497 and 1498 in regard to articles returned by H.M.S. "Superb," on paying off, in excess of the charge per account, the surveys held while the ship was in commission were made for the purpose of ascertaining that all articles on charge were on board (not that all the articles on board were on charge).

In the recent revision of the Store Accounts the instructions were altered so as to ensure that all articles found at stock-taking shall be entered in the account, whether on charge or not; and I am unable to give any explanation beyond that contained in Admiralty letter of 8th October 1888 (printed at page 226 of the Report of the Comptroller and Auditor General, attached to the Appropriation Account for 1887-88).

Appendix, No. 8.

PAPER handed in by Mr. *E. W. Hamilton*, C.B., 3 July 1889.

FURTHER REPORT of Messrs. *Waterhouse and Mills* upon the DOCKYARD EXPENSE and STORE ACCOUNTS.

May it please your Lordships,

27 May 1889.

1. REFERRING to your Lordships' instructions, communicated to us in Mr. Barrington's letter of the 22nd May 1888, and to the preliminary Report which we made to the First Lord of the Treasury under date the 7th July last, we beg to state that we have completed our inquiries upon the several points referred to us as regards the Dockyard Expense and Store Accounts, and have now the honour to submit the following further Report.

Questions referred.

2. The questions referred for our investigation in Mr. Barrington's letter, and the Treasury Minute of the 18th May 1888, of which a copy was enclosed, were :—

- (1.) The manner in which the Store and Expense Accounts of the Admiralty are now examined.
- (2.) Whether the examination is complete and satisfactory, regarded only as an examination for the Head of the Department responsible for the expenditure.
- (3.) Whether there is any provision for a check on the accounts, independent of the Head of the Department who is interested in the expenditure for which he accounts.
- (4.) Whether the First Lord of the Admiralty should not have independent assurance that the expenditure is proper and the accounts accurate.
- (5.) Whether there be any deficiency in the existing system which, in our opinion, should be remedied.
- (6.) Whether the reductions in staff which had been suggested could be fairly carried out.

Changes found to have been introduced.

3. On the commencement of our investigation, we found that various changes had been introduced, or were in course of introduction, in the method of the preparation and examination of the Admiralty Store and Expense Accounts, involving alterations not only as regards the officers charged with the duties of preparing or examining the accounts, but also in the method of record and account-keeping. These changes may (as we mentioned in our preliminary Report) be stated generally as follows :—

- (1.) The transfer of the preparation of and responsibility for the annual expense accounts from the Department of the Accountant General to that of the Controller of the Navy.
- (2.) The allocation of the cost of labour to the various shipbuilding and repair accounts, not, as heretofore, on information supplied by the professional officers themselves, but on that collected by officials specially appointed to watch and record the occupation of each *employé*.
- (3.) The adoption of a system of record of money value of stores received and dealt with, by which an important and independent check upon the storekeeper's records of quantities is secured.
- (4.) The abolition of the examination of the store accounts hitherto conducted by the Accountant General, upon the ground that an independent inspection and test audit of such accounts, as well as of the expense accounts, has devolved upon the Comptroller and Auditor General.

4. We proceed to give some particulars of these changes, and to contrast the system now adopted for the preparation of the Dockyard Expense and Store Accounts with that which prevailed before the changes were made.

Transfer from Accountant General's Department of duty of preparing Expense Accounts.

5. The expense accounts of the dockyards, the object of which is to give the expenditure in wages and materials upon the ships that are being built or repaired, were, when under the charge of the Accountant General, prepared by officers of his Department, who it is true were independent of those responsible for the work, and might on that account be supposed to be specially qualified to prepare truthful records of expenditure.

6. In

6. In practice, however, the arrangement did not work smoothly or efficiently. The officers thus employed, serving under chiefs who could exercise no control or authority over the professional officers charged with the work of shipbuilding, were regarded by the latter as persons who were rather a drag and hindrance than an assistance in carrying out the work for which they were themselves entirely responsible; and in particular the Accountant General's officers were dependent upon the professional officers of the yards for the allocation of the expenditure and other information upon which the accounts were based.

7. Thus friction and delays arose in recording the general progress of expenditure, and it was asserted that the system failed as a means of promptly supplying to the officers in charge of the work the information necessary to enable them to see how far the actual expenditure was proceeding within the limits of the sanctioned programme and estimate. The professional officers therefore established, for their own objects, a separate, and practically a duplicate, record of shipbuilding expenditure.

8. When, however, this part of the work of account-keeping was assigned to a separate branch of the Controller's Department, that is to say, to officers wholly independent of the professional officers, though, like them, directly responsible to the Controller, the friction between the two departments was removed. The officers of the new branch of the Controller's Department, in arranging the system for the preparation of the annual accounts for Parliament, adopted a method of record and account-keeping which they knew would prove of the greatest practical value in the daily conduct of the work; and under this new system the accounts of the expenditure of wages and materials are so closely written up from day to day, that before the end of every week a statement of the expenditure of the preceding week, with all necessary detail, is ready for and is handed to the officers who are responsible for it. No reason or excuse can therefore now be urged for any duplicate account-keeping by a separate staff under the professional officers themselves, and this indeed is not permitted. The yearly summary of the dockyard work consists simply of the cumulated totals of the weekly abstracts brought forward from week to week; no burden of work being thus left to fall upon the staff at the close of the year. As the recording of the expenditure is closely kept up day by day, the former necessity for estimates of various kinds with regard to expenditure is avoided, and provision is made for the detection, as far as possible, of mere errors of allocation which may arise by clerical inaccuracies in the mechanical process of posting.

9. As pointed out in our preliminary Report, the first use of the expense accounts is to furnish the Executive officers with information with regard to the expenditure from day to day taking place under their orders and supervision; the second and no less important use being to give the information required for the Parliamentary Blue Book, showing, in comparison with the sanctioned programme of the year, how the labour and stores provided for the department have been expended or applied. It is necessary that the staff employed upon these accounts should be well acquainted with the nature of the work carried on in the dockyards; that the accounts themselves, while prepared by a staff independent of the Executive officers, shall furnish promptly all such information of current expenditure as those officers may need, and in the form necessary for their own purposes; and that no reasonable ground shall exist for distrust on their part as to the accuracy of the figures thus compiled. Enormous detail is involved in the preparation of these accounts. For example, at Portsmouth Dockyard alone, something like 32,000 separate postings of items of stores issued and of wages paid have to be made each week to the various shipbuilding and repair accounts to which they are chargeable; and it is only by a system of mechanical routine carried on under the immediate supervision of competent officers, and upon a method which practically proves the accuracy of the figures from day to day, that such accounts can be satisfactorily prepared. The very multiplicity of the entries and the number of persons employed upon them, in connection with the circumstance that these persons are in no sense under the eye or orders of the professional officers, and have no interest whatever in the results of the figures which they record, practically preclude the possibility of any improper dealing with the figures, such as intentionally charging to the cost of one vessel an expense which should be borne by another; while the method adopted provides that the clerical accuracy of the work is proved in the aggregate. No outside examination of these enormous details is therefore, in our opinion, necessary, and in the circumstances described we fully approve of the change which has placed the preparation of the expense accounts of the dockyards in the charge of an officer who, while directly responsible to the Controller, is himself wholly independent of the professional officers of the same Department by whom the expenditure is incurred. This officer appears to us to exercise quite as complete and trustworthy an oversight upon the dockyard expense accounts as it was possible for the Accountant General to undertake.

Use and nature of the Expense Accounts.

Outside examination not necessary.

10. The second of the changes referred to is that which relates to the mode of ensuring, as is essential, a correct allocation of the cost of labour in the yards to the several ships or other works or purposes upon which it is employed. As has already been stated, the Accountant General, when the expense accounts were under his charge, was dependent for the information which governed this allocation upon the certificates of the professional officers of the yards, these being based upon records kept by the "leading men," who

Allocation of the cost of labour.

were directly under the control of those officers; and as these records of labour constituted a most important element in the figures which indicated whether the expenditure on particular ships or works had been kept within the limits of the estimate or authority, in other words, whether the professional officers themselves had taken due care to comply with the instructions of the Admiralty; it was held that this method of arriving at the distribution of the charges for labour was not upon a satisfactory footing.

11. There are three systems of payment for work at the yards :—

- (1.) Day pay.
- (2.) Task and job.
- (3.) Tonnage.

Check upon day
pay by "recorders."

The changes already made relate to day pay only, which, however, represents by far the largest proportion of the labour charges. After the transfer to the Controller's Department of the business connected with the expense accounts, a staff of men was instituted whose sole duty it is to keep a record of the labour of the men on day pay. These men are called "recorders of labour"; they are directly responsible to the Inspector of Dockyard Expense Accounts, and are entirely independent of the professional officers. It is their duty to visit every man at his work twice a day, and to record, in books specially prepared for the purpose, the number of hours he is employed at each description of work. At the end of each week these books are deposited in the Expense Accounts Office (separate books being used for this purpose for alternate weeks), and the time so recorded is priced out at the rates applicable to the several men, and the amounts so ascertained are posted to the accounts of the various ships or other works chargeable with the same. At the same time the total amount of the day pay for the week, thus arrived at, is checked against the totals of the wages sheets which have been prepared in the Cashier's Office for the Accountant General upon the entirely independent basis of the timekeeper's record of the actual attendance of the men in the yard, and upon which the actual payments to the men are made.

12. We can suggest no simpler or better method for securing a trustworthy allocation of the cost of labour to the various works, so far as relates to the day pay. We are informed that though objection was raised to the employment of these recorders of labour when they were first established, the system is found to work satisfactorily. Any risk of collusion between the recorders and the workmen is as far as possible provided against by changes in the districts or men visited by them, and also by the occasional personal oversight of the Civil Assistants of the yards. The system further operates as a check against any employment of men upon unauthorised work.

Payments by task
and job.

13. The process just described is not applicable to the two other methods of payment for work, viz., task and job, and tonnage. In the first of these cases the work to be paid for depends upon statements by men called "measurers." These men are subordinate to the professional officers, and are in this respect in the same position as the "leading men" who formerly furnished the information upon which the day pay was allocated. Their functions are to ascertain the quantities of work performed by men, or groups of men, working under this system; to specify the particular rates in the authorised schedule of prices at which the work is to be priced, and to compute the amount earned by the men collectively, and distribute the earnings in detail. The computations of the earnings and their distribution are checked in the Expense Accounts Office, but no check appears to be applied as regards the quantities of work stated to have been executed, or the reference to the schedule of prices upon which the computations are based.

Payment by piece-
work.

14. Payment for piecework by tonnage is based upon the weight of material, such as iron plates, built into the ship. In this case also the basis of the computations, which are alone checked in the Expense Accounts Office, is accepted upon the statements of persons subordinate to the professional officers. We should, however, add that this third system of payment for work is at present only on trial.

An independent
check required
upon last two
classes.

15. It is, we believe admitted, that it is quite practicable for arrangements to be made which would enable the Expense Accounts Branch to apply a more effective check to the pay for labour under these last-named systems. We agree in this view, and think that measures should be taken for that purpose.

Storekeeping
records of
quantities.

16. We proceed to notice the system of account-keeping of stores, which owing to the enormous variety of articles in use at the dockyards is attended with considerable difficulties. The storekeepers at the yards keep records of the *quantities* only, not of the *values*, of the numerous stores which are received and issued. The proper form of check applicable to such accounts of quantities consists in ascertaining, (1) that the quantities of the various articles delivered by contractors, and paid for by the Accountant General, are accurately brought to charge in the store ledgers; (2) that the quantities stated to have been issued out of store are supported by properly authorised and receipted requisitions; and (3), that the resulting balances of quantities assumed to remain under charge of the storekeeper are from time to time verified by actual survey or inspection. For the mere purpose of an ordinary check upon a storekeeper nothing more is required, and the *money value* of the stores dealt with (when once the equivalent quantities have been

been brought on charge) might be, as in fact for storekeeping purposes they have been, disregarded.

17. The expense accounts, on the other hand, are concerned only with the cost of the work for which the stores are used, and these records therefore pay no regard to quantities as such. In 1864 an attempt was made in the Expense Accounts Branch (then under the Accountant General) to keep what is called a "Stock Valuation Account," i.e., a record in money value of all stores received and issued, but the account was discontinued in 1879 as not being based on a sufficiently accurate method to be of practical use.

18. The Expense Accounts Branch has, however, kept records of the value in the aggregate, at invoice prices, of the stores purchased, and of the total value, at rate-book prices, of the stores issued. But until recently no attempt was made to record the values of stores in detail, i.e., under the very numerous separate heads, under which the storekeepers' ledgers necessarily keep a record of quantity.

19. The attempt has now been made by establishing an amended form of Stock Valuation Account. It was, in the first instance, proposed to lessen the details of this process by adopting a system of grouping certain similar classes of stores, but it was found that the result would not be satisfactory, and it was determined to keep in the Expense Accounts Office ledger accounts of the money values of stores dealt with, under precisely the same heads of articles, and corresponding in all respects with the accounts of quantities in the storekeepers' ledgers. It was important that a practical working test of this proposal and of its cost should be made before giving general effect to it, and at our suggestion, therefore, the Admiralty directed that it should be experimentally tried at Portsmouth Dockyard for three months. The result was quite satisfactory, and accordingly the system was brought into full operation at the whole of the dockyards on 1st April last, and has since been carried on without drawback.

Stock Valuation Account.

20. We are positively assured by the Inspector of Dockyard Expense Accounts that no practical difficulty can arise to interfere with the work being continued, and that though it involves a largely increased amount of detail, a very inconsiderable addition to the present clerical staff at the yards (say at a mean cost of 700 l. a year) will efficiently provide for the duty.

21. We should mention that the Stock Valuation Account is kept at "Rate-book prices," which are periodically adjusted so as to represent a close approximation to the current value of the stores. In the expense accounts as hitherto prepared large differences arising between the total cost price of the articles bought and the total rate-book price at which they are taken into stock and issued have been unstated and unascertained. Under the new system this defect will be remedied. The Stock Valuation Account will exhibit in summary how the stores purchased have been accounted for, what value has been expended during the year upon the various works, and what value remains in hand. This last total will be capable of comparison and should agree with the list of quantities prepared by the storekeeper and priced out by him at the rate-book prices. Without such an account of stores in money value no record of dockyard expenditure would in our opinion be complete or satisfactory.

22. We now come to the point of the abolition of the check of the Accountant General upon the storekeepers' books.

Abolition of check upon Storekeepers' books by Accountant General.

The store ledgers, which, it must be still borne in mind, record quantities only, are kept in duplicate, one set by the storehousemen in actual custody of the stores in the respective buildings in which they are kept, and the other by clerks in the office of the storekeeper himself; the duplicate entries being made from the same documents or from press copies thereof. This duplicate method of record is considered to be more convenient for the purposes of the storekeeper's check upon the storehousemen than a system of direct examination of the entries in the books of the latter; and though we have been disposed to entertain some doubt upon this point, it is not, upon the whole, of such importance as to lead us to press our opinion; subject to the remark (to which we may again have to allude) that the practice must be understood to serve the purpose of the storekeeper only, and not to afford any check upon that officer himself.

23. The Accountant General's officers at the dockyards formerly checked the entries in the storekeepers' ledgers, and they further took part with the officer representing the storekeeper in the survey or inspection of the actual balances of stores, and in the comparison of these with the balances shown by the storekeeper's ledgers. Of these duties the Accountant General was relieved in 1886, and there has since been no independent departmental examination of the storekeepers' books. Some such independent examination would, in our opinion, certainly have been necessary, but for the establishment in the Expense Accounts Office of the extended form of Stock Valuation Account which we have described.

24. The invoices of articles supplied by contractors, which create the debits of quantities in the storekeeper's ledgers, are priced by the storekeeper at rate-book prices, and the value checked and recorded therefrom in the Expense Accounts Office; while the money value, at rate-book prices, of stores issued by the storekeeper, is entered on

Amended stock valuation account affords an effective means of check.

the issue notes which support the credit entries in his ledgers; and these original documents form the basis of the record both of quantities in the storekeeper's books, and of money values in the Stock Valuation ledgers.

25. At the close of each quarter the balances, both of quantity and value, will be struck, and these can be from time to time compared to ascertain that the balance of quantity at rate-book prices agrees with the balance of value.

26. It will be obvious, then, that the Stock Valuation Account, in addition to its use in relation to the Expense Accounts, constitutes a substantially complete means of check upon the several balances of quantities shown in the storekeepers' ledgers, and therefore answers the purpose of a separate examination of the storekeeper's books. We do not think that anything further in this direction, within the Admiralty itself, is called for.

As to proposal to keep duplicate store-ledgers in London.

27. We understand that a proposal was at one time (if it is not still) before the Admiralty to transfer to the central office of the Director of Stores, in London, the duplicate store ledgers now kept in the offices of the storekeepers at the yards, upon the ground that better security would thus be taken against possible collusion between the persons keeping the ledgers in the storerooms and storekeepers' offices, respectively. Theoretically there might have been something to be said for the proposal, except for the fact to which we have before alluded that, as the result of other changes, the ledgers proposed to be transferred are only of use to the storekeepers as a convenient means for their own examination of the storehousemen's books; that they constitute no check upon the storekeepers themselves; and that the real check upon both them and the storehousemen is now effectively provided through another department of the Controller's Office. Even were it otherwise we should see serious objections to the course proposed.

28. We believe that the work would be greatly retarded by the large amount of correspondence and references to which mere clerical errors and trifling discrepancies (readily settled on the spot) would inevitably give rise. And further, an enormous number of issue notes and other documents would have to be transmitted backwards and forwards at considerable trouble and cost. In no case do we think that any advantage would be gained which would outweigh the considerations on the other side; but in the existing circumstances there can scarcely, we should suppose, be any question upon the point. Indeed we are not clear that it may not hereafter be found that the storekeepers' duplicate ledgers can be altogether dispensed with.

29. We have shown that in place of such examination of the storekeeper's books as was formerly exercised by the Accountant General's officers, a system has been established by which security will be taken that all stores paid for are brought on charge, and that all issues for which the storekeepers take credit are properly vouched and accounted for in money value. It remains for the department to be satisfied in regard to the verification of the balances of stock, in which the Accountant General's officers formerly assisted.

Verification of balances of stock.

30. This survey, or verification of the stores by actual inspection, for the purpose of comparison with the balances which the storekeepers' ledgers show as remaining in their charge, is in fact the keystone of the arch upon which any proper system of check upon store accounts must rest. In the Treasury Minute of 15th November 1886, which lays down the conditions agreed upon for the conduct of the independent audit or inspection of store accounts by the Comptroller and Auditor General, it is stated that that officer will take no part in the process of actually verifying stock, but will accept on this point the certificates of properly constituted boards of survey or stock takers, subject to any criticism which in his opinion the regulations or arrangements of the departments for this purpose may invite; and we may remark that this course is in accordance with the practice in regard to the audit of the store accounts of commercial concerns.

31. It will be seen then that it is of the first importance that the arrangements for stock taking are such as cannot be reasonably impugned or challenged. It is quite proper that a representative of the storekeeper should be joined with the independent officers who take the stock, so that the result may be jointly certified on behalf of the officer directly concerned; but it is clear that the one essential condition to the reality and trustworthiness of the check is wanting if the persons employed upon the duty are solely those who are immediately subordinate to the storekeeper. This has, however, we believe, been the practice since the representatives of the Accountant General ceased to share this duty. It will no doubt be admitted that a remedy in this matter must be provided.

32. It is not necessary that highly paid officers should be employed in the details of this duty; but they should be other than immediately subordinate to the storekeeper of the particular yard. No doubt there may be legitimate degrees of severity in enforcing the rule. There are, for example, a number of articles in the dockyards which can scarcely by possibility be fraudulently dealt with, and less rigour may reasonably be permitted in these cases, which are, however, exceptions and can easily be defined. The important point is to ensure that the vital nature of the principle laid down is fully recognised and duly acted upon.

33. We may also remark that a most useful effect would result from occasional visits to the yards of officers of the Department of the Director of Stores in London for the purpose

purpose of testing (apart from the ordinary procedure) the stock of a few articles selected at hazard, or for reasons which the occasion may suggest. This extra test, however, though to a certain extent casual and uncertain, should be carried on systematically and continuously.

34. With reference to the position of the Accountant General in regard to the accounts under notice, we stated in our preliminary Report that as implied in the title of his office, it would be natural that he should supervise, and to a certain extent be responsible for the accounts of all Admiralty Departments; but that considerations of great weight had led to the Dockyard Expense Accounts being put under wholly separate control; and we expressed our opinion that it is not now desirable to alter the arrangement. We adhere to that view; but although we hold that no justification exists for an examination or test of the details of the accounts by his own officers, he should himself undoubtedly be able to render very valuable assistance to the Financial Secretary by such a critical review of the accounts rendered by the Expense Accounts Branch, both during the progress of the expenditure of the year and at its close, as may bring to light any important results indicated by the mass of figures which the reports accompanying the accounts may have failed to notice or explain.

Accountant General
should review
results shown by
Expense Accounts.

35. We understand that our view of the relation of the Accountant General to these accounts, as expressed in our preliminary Report, has been adopted by the Admiralty, and that, with your Lordships' concurrence, an Admiralty Order giving effect to it was issued in September last. Under that Order, monthly returns which are prepared for the information of the Financial Secretary with respect to the Store and Expense Accounts, together with the reports thereon of the officers responsible for the accounts, are required to be referred to the Accountant General for such observations as he may have to offer for the assistance of the Financial Secretary.

36. Summarising the result of our inquiry, we are able to report generally, and subject to those points which we have noticed as requiring attention, that, in our opinion, the method in which the Store and Expense Accounts of the Admiralty are now kept, as the result of the changes described, is well adapted to and sufficient for the purpose of securing accuracy and regularity of account.

General conclusions.

37. We can further state that we are satisfied that those changes have resulted in a very substantial saving of cost, notwithstanding the expense attendant upon the amplification of the Stock Valuation Account, which has only recently been brought into operation, and which was not in the first instance allowed for.

38. It is no part of our duty to enter upon the functions which devolve upon the Comptroller and Auditor General for the independent satisfaction of Parliament. We have, however, intended to convey our clear opinion that, assuming one condition to be fulfilled, there is no necessity or justification for any outside examination of the mass of details, of which the annual accounts will be built up, especially as such examination would only be possible at a very heavy expense. The condition to be satisfied is that the regulations are duly maintained which provide for the careful oversight and independence of the Expense Accounts' staff; independence, that is, alike of the officers accountable for the custody and issue of the stores, and of those who are entrusted with the use of the stores and labour, and are responsible for the work of which these accounts record the cost. The nature of the work of recording these details is not one in which errors of importance can arise, the general accuracy of the individual entries being proved by the balancing which the double entry system on which the books are kept permits. Errors of a purely clerical kind, in charging to one ship stores or wages which should be charged to another, are no doubt possible; and, of course, in principle the accurate appropriation of charge is extremely important; but inasmuch as the individual amounts are with little exception small, such accidental errors are not likely to affect the total result, and any important errors of allocation are guarded against by the rendering of the weekly accounts to the various executive officers responsible for the work, who would be prompt to challenge any materially inaccurate charge increasing the cost of the work which they are directly interested in showing at as low a figure as possible.

39. The liability of the officers respectively responsible for the Store and Expense Accounts to the absolutely independent review of the Comptroller and Auditor General for the information of Parliament, of the transactions represented therein, and their further liability to answer before the Public Accounts Committee for any defects or irregularities which come under his notice, will afford a guarantee, which nothing else probably could make fully effective, that the higher departmental officers, who are answerable for the supervision of the machinery by which the regulations are meant to be enforced, shall keep that machinery in constantly efficient working order. It will also, no doubt, incidentally contribute to strengthen very much the control of the Admiralty itself in its administration of the service.

We have, &c.
(signed) *Edwin Waterhouse.*
Richard Mills.

The Lords Commissioners of
Her Majesty's Treasury.

(9449—89.)

2 July 1889.

MY LORDS have before them a further Report by Messrs. Waterhouse and Mills, dated the 27th May last, upon the recent changes in the Expense and Store Accounts of the Admiralty, the leading points in which may be summarised as follows :—

I.—The transfer of the preparation of, and responsibility for, the Expense Accounts from the Department of the Accountant General to that of the Controller of the Navy.

This transfer is held to be justified, partly on account of the friction between the Accountant General's officers and the professional officers, on whom the former had to depend for information, but over whom the Accountant General had no authority, and partly because the accounts were in too great arrear to be of use to the professional officers, who therefore had to keep duplicate accounts for their own purposes. The Expense Accounts are now prepared by officers well acquainted with the nature of the work carried on in the Dockyards, but yet wholly independent of the professional officers, although they belong to the same Department, and are all subject to the common authority of the Controller. The result is a removal of the friction between the accounts and the professional staffs, the avoidance of all delay, and therefore of the need for duplicate records, the accounts being made up weekly, less than one week in arrear, in the form most useful to the executive officers, as well as best adapted for the information of Parliament.

II.—The allocation of the Cost of Labour to the various Shipbuilding and Repair Accounts.

The Accountant General had to depend on the professional officers for this allocation ; but now, so far as regards day-pay labour, it is allocated by a distinct staff of "recorders of labour," directly responsible to the Inspector of Dockyard Expense Accounts, and quite independent of the professional officers, their record being checked by the totals of the wages-lists prepared from the timekeepers' record of actual attendance of men in the yard.

Messrs. Waterhouse and Mills approve of this change, but suggest that, as regards labour paid by task and job, or by tonnage, some more effective check on the allocation might be devised than exists at present.

III.—Stock Valuation Account.

By means of this account, in its recently amended shape, a record of the money value of stores received and issued is kept concurrently with the record of quantities kept by the storekeepers. Both records are based on the same data, viz., the invoices of stores supplied by contractors and the issue notes of stores issued, which show both quantities and their money value.

The Valuation Account is necessary for making up the Expense Accounts, but it also affords a complete check upon the storekeepers, and Messrs. Waterhouse and Mills consider that its existence not only supersedes the examination of the storekeeper's ledgers by the Accountant General's officers, but makes it unnecessary to transfer the duplicates of those ledgers to head-quarters, as had at one time been contemplated, and may even justify the abolition of those duplicates, which the storekeepers now keep as a check on the storehousemen, but which are no check on the storekeepers themselves.

The increase of cost caused by the revised Valuation Account is put at 700 l. a year.

IV.—The verification of the Balances of Stock.

Messrs. Waterhouse and Mills concur with this Department in holding that this task should be always undertaken by a representative of the storekeeper and some quite independent officer; but should not be taken part in by the Comptroller and Auditor General. They also suggest the occasional visits of officers from the Department of the Director of Stores in London for the purpose of testing stocks of particular articles.

V.—Functions of the Accountant General in regard to the Expense and Store Accounts.

These, in the opinion of Messrs. Waterhouse and Mills, should be confined to criticism of the monthly and annual returns prepared for the information of the Financial Secretary to the Admiralty, which under the Admiralty Order of September last must be referred to the Accountant General. But they consider that this criticism may prove a very valuable assistance to the Financial Secretary.

VI.—Conclusion.

The conclusion at which Messrs. Waterhouse and Mills arrive is, that the changes which have been introduced should be maintained in force, and will result in much increased efficiency and a substantial saving in cost ; and they further hold that, without prescribing what should be the functions of the Comptroller and Auditor General, there is no necessity for any outside examination in detail of the Expense and Store Accounts.

My Lords are much obliged to Messrs. Waterhouse and Mills for their valuable Report, and, subject to any remarks that the Board of Admiralty may desire to make on particular recommendations, are prepared to accept its conclusion.

Appendix, No. 9.

PAPER handed in by Mr. *Allen Stoneham* (Q. 2336), 19 June 1889.

THE arrangement with the Treasury as embodied in the Merchant Shipping (Expenses) Act, 1882, was explained by a Memorandum attached to the Bill as presented to Parliament.

This Memorandum, a copy of which is subjoined, will give the Committee the reasons which led to this legislation, and also its probable effect from a financial point of view.

MEMORANDUM, 1882.

At the present moment (*i.e.* 1882), various public departments, the cost of which is borne by the Public Exchequer, render services to the Board of Trade on behalf of the Mercantile Marine, and for these a number of payments are made in detail out of the Mercantile Marine Fund, which are the cause of constant controversy between the departments. These are valued by the Board of Trade at 28,500 *l.* a year. These sums are now fixed at 21,660 *l.* a year, the items being as follow :—

	£.	
Customs - - -	15,000	{ Shipping offices and Light Dues, and Receivers of Wreck. For rental of accommodation afforded in Custom House.
Works, England -	1,500	
Works, Ireland -	500	
Stationery Office -	3,000	
Audit Office - -	1,500	
Post Office - - -	160	
£.	21,660	

Certain services now paid for out of public votes are to be charged on the Mercantile Marine Fund. These are as follow :—

	£.
Survey staff employed in surveying and inspecting emigrant ships, passenger steamships, and merchant ships generally, and in doing certain other work of a similar character, which will for the future include inquiries under the Boiler Explosions Act (present cost) - - - -	52,000
Expenses of obtaining casualty returns - - - -	2,500
Relief of distressed seamen - - - - -	30,000
£.	84,500

On the other hand the following contributions are to be made to the Mercantile Marine Fund :—

	£.
The fees and charges recovered in respect of survey of ships which are now paid into the Exchequer - - -	27,000
Unclaimed wages and effects of deceased seamen - -	9,000
Proceeds of unclaimed wreck - - - - -	2,500
Grant-in-aid from the Public Exchequer - - - -	40,000
£.	78,500

The payments for services rendered by one department to another, and the votes in aid are to be revised quinquennially, so as to preserve a due proportion.

As between the Public Exchequer and the Mercantile Marine Fund, the effect of the arrangement will be to leave the gross amount paid on either side as nearly as possible the same as at present, but to make the payments in a less troublesome and more convenient form, and to appropriate to the respective funds those items of income and expenditure which properly belong to them.

The effect of abolishing the fees now received at Mercantile Marine Offices for engaging and discharging crews will be to relieve shipping and seamen from a charge of 70,000 *l.* a year.

As regards administration, the effect will be to settle questions long under discussion between the departments, and to place in the hands of the Board of Trade more unrestricted control over the services which they are authorised to administer.

The approval of Parliament will be given each year by the annual vote in aid. In addition, Parliamentary powers were needed for the purpose of charging on the Mercantile Marine Fund the expenses above mentioned, of crediting that fund with the unclaimed wages and effects of seamen and the proceeds of unclaimed wreck, and of abolishing shipping office fees. The accompanying Act accordingly provides for these objects.

The cost of bringing home seamen to be tried in this country for offences committed abroad, which may under the existing Act be charged either on the Vote for the Relief of Distressed Seamen or as part of the costs of prosecution, will under this Act be paid in the same manner as other costs of prosecution.

The actual result of the arrangement is shown by the following figures, viz. :—

INCOME.

	As Estimated in 1882.	1883-84.	1884-85.	1885-86.	1886-87.	1887-88.
	£.	£.	£.	£.	£.	£.
Grant-in-Aid - - - -	40,000	40,000	40,000	40,000	40,000	40,000
Survey Fees - - - -	27,000	32,692	27,109	25,891	26,562	28,375
Unclaimed Wages and Effects -	9,000	8,152	7,674	8,337	7,381	6,454
Wreck and Salvage - - -	2,500	—	3,267	1,831	815	385
£.	78,500	80,844	78,050	76,059	74,758	75,214

EXPENDITURE.

	As Estimated in 1882.	1883-84.	1884-85.	1885-86.	1886-87.	1887-88.
	£.	£.	£.	£.	£.	£.
Survey Staff - - - -	52,000	57,807	59,746	57,451	57,209	58,257
Casualty Returns - - - -	2,500	4,240	3,510	3,328	4,313	4,233
Relief of Distressed Seamen -	30,000	27,572	28,957	24,291	26,999	25,635
£.	84,500	89,119	92,213	85,070	88,521	88,125
Estimated Deficit - - -	6,000	—	—	—	—	—
Actual Deficit - - - -	—	8,275	14,163	9,011	13,763	12,911

Average Deficit for Five Years as against an Estimated Deficit of 6,000 *l.* - - - - - £. 11,624

Appendix, No. 10.

PAPER handed in by Mr. *Patrick Cumin*, C.B., July 1889.

Committee of Public Accounts.

Sir,

6 July 1889.

I FIND that by inadvertence I read the Minute of the Lord President as to the school mentioned in paragraph 4 of the Comptroller and Auditor General's Report, whereas I ought to have read the whole Minute, the former part of which contained the Vice President's Minute. As both Minutes form one document, and as that of the Lord President, which I read, was subsequent to and dependent upon the Vice President's Minute, I beg leave to request that the Vice President's Minute may be added to my evidence.

The Right Hon.

Sir Ughtred Kay-Shuttleworth, Bart., M.P.

I have, &c.
(signed) *P. Cumin.*

The following is the Minute of the Vice President on the case :

This case requires attention, as it is evident that some misapprehension may have been created in the minds of the Managers of this school by the letter of the Department of 18th June 1886; an appeal being made to the Department as to the effect which introduction of handicraft teaching would produce in regard to annual grants. The following is the reply :—

"I am directed to state that, in accordance with the statement made by the Vice President in Parliament, my Lords must reserve their decision as to both of the questions raised in your letter until the question of technical education has been fully considered by Parliament.

"Instead, therefore, of a direct intimation at once that handicraft teaching would involve the non-signature of the time table, there is a pretty strong reservation that no actual decision will be arrived at until Parliament has fully considered the matter.

"The Managers, it is clear, resolved to run the risk without particular reference to the statement of the Vice President in Parliament, and in March 1887 Her Majesty's Inspector writes for special instructions as to signing time table. He is informed that 'technical instruction should not be given in the two hours allotted to secular work.'

"I venture to urge that if this reply had been given to the letter from the Managers of 7th May 1886, no ambiguity could have arisen.

"It would appear also that some *doubt** must have existed in the mind of Her Majesty's Inspector as to whether this new form of teaching was admissible or not; and this may have had some effect upon the Managers, and led them to believe that no great loss would accrue to them if they established the technical classes.

"Considering all the circumstances, I am inclined to think that we should make a strong exception in this particular case, and sanction the payment of the amount.

"*W. H. D.*,
Vice President."

"18 August 1887.

* *Vide* Letter, March 1887.

I N D E X.

ANALYSIS OF INDEX.

LIST of the PRINCIPAL HEADINGS in the following INDEX, with the pages at which they may be found.

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3. <i>Comment by the Comptroller and Auditor General upon the insufficient Information in the Estimates</i> - - - -	156	4. <i>Advances to Contractors</i> - -	179
4. <i>Application for Treasury Sanction for the Payment of Deficiencies out of Surpluses</i> - - - -	157	5. <i>Payments at the close of the Financial Year</i> - - - -	179
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I N D E X.

[*N.B.*—In this Index the Figures following the Names of the Witnesses, and those in the Analysis of Evidence of each Witness, refer to the Questions in the Evidence; the Figures following *App. (2nd Rep.), &c.*, to the Pages in the several Appendices; and the Numerals following *1st Rep., 2nd Rep., &c.*, to the Pages in the several Reports by the Committee.]

A.

ADEN (DEFENCE WORKS). Examination as to the charge in the Army Votes of final payments, unsupported by vouchers, in respect of the contribution of the Imperial Government towards the cost of the defence works at Aden; explanation that although accounts and vouchers have not been produced, there are elaborate returns from the engineers showing the progress of the works, *Knox* 1812-1820. 1822. 1828-1839. 1841-1861—Explanation that, when the defence works are finished, final detailed reports will come to hand upon which adjustment will be made; contention that in the case of interim payments it does not matter whether they be a little less or a little more than the exact half of the total expenditure, *ib.* 1820. 1822. 1827-1839.

Grounds for the objection raised by witness to the expenditure upon the works being passed as a final payment or charge against the Army Votes, *Sir C. L. Ryan* 1821-1824. 1840—Concurrence of the Treasury with the view of the Comptroller and Auditor General that he should be furnished with some evidence as to the correctness of the sum charged against Army Votes for the works in question, *Ryder* 1862, 1863.

Belief that the estimate for the cost of the works, without armaments, was somewhere about 100,000 *l.*; *Knox* 1841, 1842—Explanation of the grounds upon which the particular sum of 26,000 *l.* was fixed as the payment from Army Votes in 1887-88; *ib.* 1849-1861.

View of the Committee that the payments should have approximated as closely as possible to half the cost incurred, *4th Rep. v.*

Admiralty. See *Navy Accounts.* *Navy Estimates.* *Stores, &c.*

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“*Agincourt*,” *H.M.S.* General inaccuracy observed in the examination of the ship’s accounts of stores; efforts made in the accounts of the “*Agincourt*” to bring the details of the account into some relation with the result, *Sir C. L. Ryan* 1393-1398.

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R E P O R T

FROM THE

SELECT COMMITTEE

ON THE

B A N N D R A I N A G E B I L L ;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

AND

M I N U T E S O F E V I D E N C E .

*Ordered, by The House of Commons, to be Printed,
22 July 1889.*

L O N D O N :
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BANN DRAINAGE BILL.

[*Tuesday, 25th June 1889*]:—ORDER read for resuming Adjourned Debate on Question (24th June), That the Bill be committed to a Select Committee of Nine Members, Five to be nominated by the House, and Four by the Committee of Selection."

Question again proposed:—Debate resumed:—

Question put, and agreed to.

Bill committed to a Select Committee of Nine Members, Five to be nominated by the House, and Four by the Committee of Selection.

Ordered, THAT all Petitions against the Bill presented Two clear days before the meeting of the Committee be referred to the Committee; that the Petitioners praying to be heard by themselves, their Counsel, or Agents, be heard against the Bill, and Counsel heard in support of the Bill.

Ordered, THAT the Committee have power to send for Persons, Papers, and Records.

Ordered, THAT Three be the Quorum.

Committee nominated of,—

Mr. Plunket.
Mr. O'Neill.
Mr. Philipps.
Mr. Pinkerton.
Mr. T. W. Russell.

Nominated by the House.
[*Thursday, 11th July 1889.*]

Mr. Cox.
Mr. Coddington.
Mr. Morrison.
Mr. P. J. Power (Waterford E.).

Added by the Committee of Selection.
[*Thursday, 11th July 1889.*]

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R E P O R T.

THE SELECT COMMITTEE on the BANN DRAINAGE BILL;—HAVE Examined the Allegations of the Bill, and found the same to be true, and have gone through the Bill, and made Amendments thereunto.

22 *July* 1889.

PROCEEDINGS OF THE COMMITTEE.

Friday, 12th July 1889.

MEMBERS PRESENT:

Mr. O'Neill.
Mr. Philipps.
Mr. Pinkerton.

Mr. Plunket.
Mr. T. W. Russell.

Mr. PLUNKET was called to the Chair.

[Adjourned till Thursday next, at Quarter-past Twelve o'clock.]

Thursday, 18th July 1889.

MEMBERS PRESENT:

Mr. PLUNKET in the Chair.

Mr. Coddington.
Mr. Cox.
Mr. Morrison.
Mr. O'Neill.

Mr. Philipps.
Mr. Russell.
Mr. Pinkerton.

The BANN DRAINAGE BILL.

Mr. *Littler*, Q.C., and Mr. *Bolton*, appeared as Counsel for the Bill.

Three Petitions against the Bill, were read.

1. R. L. Moore and others.

Counsel :—Mr. *Pope*, Q.C., and Mr. *Claude Baggallay*.

Agents :—Messrs. *Wyatt & Co.*

2. The Irish Society.

Counsel :—Mr. *Pope*, Q.C., and Mr. *Claude Baggallay*.

Agents :—Messrs. *Wyatt & Co.*

3. Edward Armstrong O'Neill.

Counsel :—Mr. *Fitzgerald*.

Agents :—Messrs. *Field, Roscoe & Co.*, Solicitors.

Mr. *Littler*, Q.C., addressed the Committee in support of the Bill.

Mr. *John George Gamble*, Mr. *William J. O'Neill*, Mr. *Robert Manning*, Sir *William Conyngham*, K.C.B., Mr. *Marcus George*, and Mr. *W. Eccles*, were severally sworn, and Examined.

The Room cleared.—Committee deliberated.

Witness ordered to Attend.

[Adjourned till Twelve o'clock, To-morrow.]

Friday, 19th July 1889.

MEMBERS PRESENT :

Mr. PLUNKET in the Chair.

Mr. Cox.
Mr. O'Neill.
Mr. Russell.
Mr. Philipps.

Mr. Pinkerton.
Mr. Coddington.
Mr. Morrison.

Mr. *W. Ellis*, Mr. *J. Kelly*, Mr. *Robert Douglas*, Mr. *E. S. O'bré*, Mr. *David Graham*, Colonel *Beresford Bruce*, and Colonel *Waring* (a Member of the House), were severally sworn and examined.

The *Chairman* suggested that the evidence for the Petitioners should be next called, but—

Mr. *Pope*, q.c., for the Petitioners, stated their opposition to the Preamble was withdrawn.

Mr. *Gamble* was re-called, and further examined by Mr. *Littler*, q.c.

The room cleared. The Committee deliberated.

Preamble read a second time.

Question, That the Preamble is proved,—put. The Committee divided :

Ayes, 6.
Mr. Cox.
Mr. Coddington.
Mr. Morrison.
Mr. O'Neill.
Mr. Russell.
Mr. Pinkerton.

Noe, 1.
Mr. Philipps.

Parties called in, and informed of the decision of the Committee.

Clauses considered.

Clause 1, *agreed to*.

Clause 2, *agreed to*.

Clause 3.—Amendment proposed, in page 2, line 37, to leave out the word “of,” in order to insert the words “not exceeding” instead thereof—(Mr. *Russell*).—Question, That the word proposed to be left out stand part of the Clause,—put, and *negatived*.

Question, That the words “not exceeding” be there inserted,—put, and *agreed to*.

Clause, as amended, *agreed to*.

Clauses 4—5, *agreed to*.

Clause 6, *agreed to*.

Clause 7, *agreed to*.

[Adjourned till Monday next, at Twelve o'clock.]

Monday, 22nd July 1889.

MEMBERS PRESENT :

Mr. PLUNKET in the Chair.

Mr. Cox.
Mr. Coddington.
Mr. Russell.
Mr. Pinkerton.

Mr. Phillips.
Mr. Morrison.
Mr. O'Neill.

The Clauses of the Bill were further considered.

Clause 8.—Amendment proposed, in page 5, line 20, to leave out from the word “and” to the word “with” in line 21.—Question, That the words proposed to be left out stand part of the Clause,—put, and *negatived*.

Clause, as amended, *agreed to*.

Clause 9.—Amendment proposed, in page 5, line 30, to leave out the word “fourth,” in order to insert the word “third” instead thereof—(Mr. *Pinkerton*).—Question, That the word “fourth” stand part of the Clause,—put, and *negatived*.

Question, That the word “third” be there inserted,—put, and *agreed to*.

Another Amendment made.

Clause, as amended, *agreed to*.

Clause 9.—Amendment proposed, in page 7, line 8, to leave out the word “six,” in order to insert “three” instead thereof—(Mr. *Pinkerton*).—Amendment, by leave, *withdrawn*.

Clause 9, *agreed to*.

Clause 10, *agreed to*.

Clause 11, *agreed to*.

Clause 12, page 9, line 15, an Amendment proposed, after “pounds” to insert “a sum not exceeding”—(Mr. *Russell*).—Question, That those words be there inserted,—put, and *agreed to*.

Another Amendment, in line 16, to insert after “and” the words “a sum of.”—Question, That those words be there inserted,—put, and *agreed to*.

Clause 12, as amended, *agreed to*.

New Clause brought up, and read a first and second time.—An Amendment proposed, in line 4, after the word “any,” to insert “damage.”—Question, That the word “damage” be there inserted,—put, and *agreed to*.

Another Amendment proposed, in line 4, after the word “by,” to insert the words “the exercise of any of the powers of this Act.”—Question, That those words be there inserted,—put, and *agreed to*.

New Clause, as amended, *agreed to*, and *added*.

Clause 13, *disagreed to*.

New Clause brought up, and read the first and second time, and *added*.

Clauses 14—15, amended, and *agreed to*.

Clause 16, *disagreed to*.

Clauses 17—18, amended, and *agreed to*.

Clauses 19—22, *agreed to*.

Clause 23, amended, and *agreed to*.

Clauses 24—28, *agreed to*.

Clause 29, amended, and *agreed to*.

A new Clause was proposed to be inserted on behalf of the Petitioner, W. O'Neill.

Mr. *Gamble* was re-called, and further examined.

Committee deliberated.

Question, That that Clause be there inserted,—put, and *negatived*.

Clause

Clause 30.—An Amendment proposed, in page 16, line 39, to leave out all the words after “Commissioners” to the end of the Clause—(Mr. *Russell*).—Question, That the words proposed to be left out stand part of the Clause,—put.—The Committee divided:

Ayes, 4.
Mr. Coddington.
Mr. O'Neill.
Mr. Philipps.
Mr. Pinkerton.

Noes, 3.
Mr. Cox.
Mr. Morrison.
Mr. Russell.

Another Amendment proposed, in page 16, line 40, after “exceeding,” to leave out the word “fifteen,” in order to insert the word “ten,” instead thereof—(Mr. *Pinkerton*).—Question, That the word proposed to be left out stand part of the Clause,—put, and *negatived*.

Question, That the word “ten” be there inserted,—put, and *agreed to*.

Clause, as amended, *agreed to*.

Clauses 31—33, *agreed to*.

Clause 34, amended, and *agreed to*.

Clause 35, *agreed to*.

Clauses 36—40, *agreed to*.

Clause 41, amended, and *agreed to*.

Clause 42.—An Amendment proposed, in page 24, line 35, after “Neagh” to insert the words “and in the canal between Lough Neagh and the Toom Railway Station.”—Question, That those words be there inserted,—put, and *agreed to*.

Another Amendment made.

Clause, as amended, *agreed to*.

Clause 43, *agreed to*.

Clause 44, amended, and *agreed to*.

New Clauses brought up, read the first and second time, and *added*.

Schedule *agreed to*.

Question, That the Bill, as amended, be reported to the House,—put, and *agreed to*.

Ordered, To Report the Bill, as amended, to the House, together with Minutes of Evidence.

EXPENSES OF WITNESSES.

NAME OF WITNESS.	PROFESSION OR CONDITION.	From whence Summoned.	Number of Days Absent from Home, under Orders of Committee.	Allowance during Absence from Home.	Expenses of Journey to London and back.	TOTAL Expenses allowed to Witness.
Mr. Marcus Gage	Justice of the Peace	Ballymoney, Ireland	4	£. s. d. 4 4 -	£. s. d. 5 10 -	£. s. d. 9 14 -
Mr. Robert Douglas	Land Valuer	Ballymoney, Ireland	4	8 8 -	5 10 -	13 18 -
General Sir W. Conyng- ham, K.C.E.	Gentleman	Spring Hill, Moneymore, County Londonderry.	4	4 4 -	5 11 -	9 15 -
Mr. William Ellis	Merchant and Ship- owner.	Coleraine, Ireland	4	4 4 -	5 10 -	9 14 -
Mr. E. S. Obré	Secretary	25, Clare-street, Dublin	4	4 4 -	5 7 6	9 11 6
Colonel H. Beresford Bruce.	Gentleman	Ballyscullion, Castle Lawson, <i>via</i> Belfast.	6	6 6 -	4 6 7	10 12 7
Mr. David Graham	Superintendent of Bann Navigation.	Artnagross, Kilrea, County Derry.	4	4 4 -	4 11 -	8 15 -
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Monday, 22nd July 1889.

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MINUTES OF EVIDENCE.

Thursday, 18th July 1889.

MEMBERS PRESENT :

Mr. Coddington.
Mr. Cox.
Mr. Morrison.
Mr. O'Neill.

Mr. Philipps.
Mr. Plunket.
Mr. T. W. Russell.
Mr. Pinkerton.

THE RIGHT HONOURABLE DAVID PLUNKET, IN THE CHAIR.

The Petition for the Bill was read :

Mr. *Littler*, q.c., and Mr. *Cripps* appeared as Counsel for the Bill.
Messrs. *Sherwood & Co.* appeared as Agents.

The following Petitions against the Bill were read :

The Petition of Edward Armstrong O'Neill :

Mr. *J. D. Fitzgerald* appeared as Counsel in support of the Petition.
Messrs. *Field, Roscoe & Co.* appeared as Agents.

The Petition of the Honourable Irish Society :

Mr. *Pope*, q.c., and Mr. *Claude Baggallay* appeared as Counsel in support of the Petition.
Messrs. *Wyatt, Hoskins, Hooker, and Williams* appeared as Agents.

The Petition of R. L. Moore and others :

Mr. *Pope*, q.c., and Mr. *Claude Baggallay* appeared as Counsel in support of the Petition.
Messrs. *Wyatt, Hoskins, Hooker, and Williams* appeared as Agents.

Mr. *Littler* was heard to open the case for the Bill.

Mr. JOHN GEORGE GAMBLE, sworn ; and Examined.

Mr. *Littler*.

1. YOU, I think, were for some years under Sir John Hawkshaw?—Yes.

2. And you subsequently practised as Chief Hydraulic Engineer to the Government of the Cape Colony?—Yes.

3. You have made a careful study and examination, have you not, for the last two years of the Lower Bann drainage area?—Yes.

4. And with regard to the basin of Loch Neagh and the Lower Bann you were employed by the Commission to do that?—Yes.

5. And you reported to them?—Yes.
0.129.

Mr. *Littler*—continued.

6. The basin of Loch Neagh and the Lower Bann is 2,200 square miles, and the circumference over 300 miles?—Yes.

7. I do not know that I need ask you very much about the early history of the Bann, because it all appears upon the face of the Commissioners' Report, does it not?—Yes.

8. And you do not wish to add anything to that?—No.

9. So far as you can ascertain, was there any special investigation as to whether the original designs were the best for drainage purposes?—No.

A

10. And

18 July 1889.]

Mr. GAMBLE.

[Continued.]

Mr. Littler—continued.

10. And I do not think that there was any special investigation to see whether the designs themselves had been strictly followed?—No.

11. For some years, I think, after the construction of the works the rainfall was not very heavy, and the river channel carried off all the floods very satisfactorily, did it not?—Yes.

12. Afterwards partly owing to the increase of land reclamation, and still more owing to the neglect of dredging which the Commissioners had to do, the river channel proved insufficient, did it not?—Yes.

13. The fact being that the Lower Bann Navigation Trustees for a long time disclaimed any liability beyond that of maintaining a navigable course?—Yes.

14. Also from the construction of solid weirs that happened, which so constantly does happen, did it not, that the river lost its original scouring power?—Yes.

15. I suppose with regard to the history of the navigation, that is an accurate description which is given in the Commissioners' Report?—Yes.

16. I believe the extent of flooded land has been estimated at present at 27,000 acres above Portna Weir and 2,000 acres below?—Yes.

Chairman.

17. Would you point out to the Committee on the map where Portna Weir is?—It is there (*pointing to the map*). Where the gentleman is pointing to there are 27,000 acres above that point and 2,000 acres below it.

Mr. Littler.

18. That is to say the land liable to be flooded and injured is 25,000 acres altogether?—Yes.

19. There were previous recommendations of Mr. Manning, Mr. O'Neill and Mr. Barton, were there not?—Yes.

20. I think you generally concur with the recommendations which they from time to time have made, except in this respect, that you concur with the recommendations of Sir James Allport's Commission, that the navigation should be stopped during the progress of the works?—Yes.

21. You propose to reduce the navigable depth in future to what is practically available in the Laggan, Newry, and other navigations, which use Loch Neagh?—Yes; I do not propose to abandon the navigation entirely, but to reduce the navigation. The Royal Commission proposed to abandon it entirely.

22. And that can be done, can it not, within the sum that you have estimated?—Yes.

23. Then you will leave a 5 ft. 6 in. navigation, even after the works are finished?—No, a 5 ft. navigation.

24. Will that be, in your judgment, quite sufficient for any class of vessels that are likely ever to use that navigation?—Yes.

25. That, of course, will not put you to the expense of keeping it up as a navigation, as at present?—No; it would save that expense.

26. I believe you propose, first of all, starting from Coleraine itself; that the Cutts Weir which has an irregular crest should be reduced to the uniform level of its lowest portion, and that there should be sluices inserted?—Yes.

Mr. Littler—continued.

27. That, in itself, would be a great relief to the river?—It would be the same level as the lowest reach.

28. Then the channel of the river you propose between Cutts and the Derry Central Railway Bridge should be deepened?—Yes.

29. From Derry Central Railway Bridge to Carnroe Weir you propose to embank the river, do you not?—Yes.

30. That is shown by the red lines which honourable Members will see on each side of the river?—Yes.

31. At Carnroe, and some other weir which I cannot read, it is to be lowered 2 ft. 6 in.?—Yes. Carnroe and Moonagher Weirs are to be lowered 2 ft. 6 in.

32. And Portna Weir will be lowered 2 ft. 6 in.?—Yes, it will be.

33. Then above Portna you propose some rock excavation, do you not?—A very considerable amount of rock excavation.

34. That is just where the pointer is between the word "Portna" and the words "Weir and Rock" above it on the plan?—Yes.

35. You propose to excavate the shoals at Port Glenow?—Yes.

36. And to excavate the channel between Loch Beg and Loch Neagh?—Yes, there is very heavy excavation at Port Glenow.

37. Would it be financially practicable, having regard to the extent of Loch Neagh, to permanently lower Loch Neagh below its summer level?—No, not financially practicable; it would be very costly for various reasons.

38. The eel fisheries at Toome are, I believe, a great obstruction to the drainage?—Yes, they are a great obstruction.

39. But the value of those fisheries is so great that you do not propose permanently to interfere with any legal fisheries, do you?—We do not.

40. And if temporary interference is necessary you intend that it shall be done, and that it can be done, at a time when no eel fishing is going on there, do you not?—Yes.

41. The Portna eel fisheries, I believe, are no obstruction to the drainage?—No, they are no obstruction.

42. And you do not interfere with them at all?—We do not interfere with them at all.

43. Will the salmon fisheries be anywhere interfered with at all?—Nowhere.

Mr. Cox.

44. They will in no way be injured?—No, they will be benefited.

Mr. Littler.

45. As regards the lowering of the weirs, in your judgment, will it benefit both the salmon and the eel fisheries?—It will benefit them both.

46. It will enable both the eel fry and the salmon to get up more easily?—Yes.

47. At Toome will the sluices benefit the eel fisheries below?—Yes, they will.

48. To meet that point raised in one of the petitions as to the predatory operations of the poachers will the sluices enable eels to get out of the lake where in a dry autumn they are very often caught by the poachers?—Yes, in the dry autumn they cannot get over the weir, and they are

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are caught by the poachers at the lock sluices, and an autumn flood will enable the eels to get out of the lake and go down to the slips below.

49. You do not propose to reduce the summer level lower than what it has hitherto been, which, I think, is only 46 feet above low-water of ordinary spring tides at Coleraine, is it not?—Yes.

50. At the present time, in a dry season, owing to the defects in the Toome Weir, the level of the lake is frequently below this, is it not?—Yes.

51. And that has been an inconvenience to boats using the Newry of the other navigations?—Yes.

52. And that will be to a certain extent obviated by what you are doing, will it not?—Yes.

53. So that it will improve the navigation of the Newry Canal, and also other navigations?—Yes.

54. Then with regard to the higher level, what do you propose to make the higher level?—Two feet above the summer level; not any higher than that.

55. I believe you have made a careful examination, have you not, of all the flood records ever since measurements have been kept?—Yes.

56. And you have also made calculations as to what would have been the level on the occasion of all those floods if the now proposed works had been carried out, and the same quantity of water discharged into the lake as on those occasions?—Yes.

57. What do you find?—I find that only one flood, namely that of 1877, would have risen above this level, and then only six inches.

58. Forty-eight feet six would have been the very highest?—Yes; that flood rose four feet above the level.

Mr. T. W. Russell.

59. The flood of 1877 was a very exceptional flood, was it not?—Yes, it was a very exceptional and unusual flood.

Mr. Littler.

60. I was just going to ask you, I think all research shows that that is the only one which would have been beyond your means of control?—Yes. I have compared every other flood on the supposition that the proposed works were carried out, and they would all have been well below 48 feet.

61. And with regard to that one it would have been only six inches difference?—Only six inches, instead of four feet.

Chairman.

62. To what extent would the rising of the river, after your proposals are carried out, supposing there was such a flood as that of 1877, injure the adjacent lands?—Very slightly indeed.

Mr. Littler.

63. Could you say what proportion of the 25,000 acres would have been injured if the river had risen only six inches instead of four feet?—Mr. O'Neill will probably give evidence upon 0.129.

Mr. Littler—continued.

that point, as he knows more about it, but it would be very slight.

64. May I take it that your proposed works will practically obviate all mischief from flooding throughout the whole of the district which is affected?—Yes.

65. I think your proposed works will give a discharge of 600,000 cubic feet per minute at Toome, increasing to 800,000 cubic feet at the Cutts?—Yes.

66. That, I think, is considerably more than the quantity that was calculated for by Mr. M'Mahone, who designed the navigation works, I think?—Yes, he designed the navigation works.

67. Your estimate for the proposed works is 65,000 £, is it not?—Yes.

68. A large portion of that is for excavation on the reach between Portna and Toome?—Yes.

69. Can you say how much?—More than half.

70. In your judgment can the proposed works be well executed within your estimate?—Yes.

Cross-examined by Mr. Fitzgerald.

71. I understand from the answer you last gave, that the estimate is 65,000 £?—Yes.

72. That is for the construction of works, I presume?—Yes.

73. It is a debateable question is it not, whether those works will injure the fisheries or not?—I do not consider it a debateable question.

74. You think not?—Yes; I have endeavoured to design the works so that they shall not injure the fisheries in any way, but rather benefit them.

75. Assuming that you are not successful in the future, and that substantial injury is done to those fisheries, I take it that it would be reasonable that the owners of the fisheries should get compensation?—Yes.

76. Probably you have noticed that there is no fund provided in the Bill out of which that compensation is payable?—There is no fund provided for it in the Bill.

77. Therefore, you will agree with me that in that respect the Bill is defective?—No, I do not think the Bill is defective, because I firmly believe that these works will not injure the fisheries.

78. Assuming that certain damage is done, surely a fund ought to be provided out of which that damage is to be paid?—I do not think that the Bill is calculated to provide for improbable contingencies.

79. You think that the contingency is improbable, and that no provision should be made for it?—Quite so.

80. For instance, you take powers temporarily to remove the eel weir, some damage may be done by that, although it may be slight?—During the time that the eels are not coming down.

81. Nevertheless some damage may be done?—I do not think so.

82. How is it to be paid for if any damage is done?—Any damage that could be done would be so small that it could be paid out of the margin

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Mr. Fitzgerald—continued.

margin for contingencies, but I do not see how any damage can be done.

83. You are aware that eel fry come up the river at certain periods of the spring?—Yes.

84. And it is at that period that you propose to remove the eel weir?—That was previously proposed by the owners of the weirs themselves.

85. If during that period in the construction of the works you prevent the eel fry coming up, that necessarily damages the weir for the next season?—If we prevented the eel fry coming up it would, but that is the question. The eel fry come up all along the banks, and we shall not interfere with the eel fry in the least.

86. Do you see any objection to the insertion in the Bill of a proviso, that you shall so construct the works that the eel fry shall not be prevented coming up to Loch Neagh?—I see no objection to that.

87. When the works are constructed the 65,000 £. will be spent?—Yes.

88. If it turns out contrary to your opinion that considerable damage is done to the eel fry, there is nothing to pay for it?—No.

Cross-examined by Mr. Claude Baggallay.

89. Supposing that the result of any works carried out by the Commissioners, or any works afterwards done by the Conservancy Board, should injure the fishery of the Irish Society or their lessees, there is no provision in the Bill for any compensation to them?—No.

90. You mentioned just now, did you not, that at Cutts Weir you propose to construct sluices?—Yes.

91. Are you clear that the construction of sluices there would not be prejudicial to the fishery?—I do not consider the construction of sluices in Cutts Weir essential to the scheme in any way.

92. That does not answer my question; the question I asked you was whether, if you constructed sluices there, the construction of those sluices may not be prejudicial to the fisheries?—Not if they are properly constructed.

93. You have made up your mind about that, have you?—Yes, I believe so.

94. Have you considered that point?—I have considered it.

95. Have you made any special investigation as to what the effect of the sluices and the construction of the weirs near the cribs would be?—If there is the slightest doubt—

96. Have you made any investigation?—I have inquired about it.

97. Have you prepared any plan of the works which you propose to carry out; have you plans and specifications of the way in which you use up this 65,000 £.?—I have got plans, but not specifications at present.

98. No plans in this case have been deposited, have they?—No plans have been deposited.

99. And the Commissioners will not be tied down to carry out any particular works which are authorised by the Bill?—That is a legal matter.

100. You are not aware that that is so?—I do not know.

101. Are you aware that under the Bill the

Mr. Claude Baggallay—continued.

Commission will have to submit certain plans of works to the Conservancy Board?—Yes, all plans must be submitted.

102. No, not all plans. You have to submit plans; it does not say all plans. The Board may or may not approve of them, and they will have two opportunities of considering them?—Yes.

103. Supposing that they approve of them, is it not in the power of the Commissioners to go to the Council and get an order in Council, varying those plans?—I believe so.

104. Whether they should or should not be pleasing to the Conservancy Board there is no occasion to go again to the Conservancy Board?—I am not sufficiently acquainted with the Bill to be sure of that. It is not an engineer's point.

105. Let me ask you about another point. Are you aware that under one of the clauses, Clause 11 of your Bill, independently of what may be shown on any plan, the Bann Commissioners have the very widest powers of doing all the works which they may show on the plan without ever submitting a plan at all to anybody?—Yes.

106. Notwithstanding your having submitted a plan you can do practically the same sort of works without any plan, are you aware of that; have you read the Bill?—Yes, I have read the Bill.

107. Where are those gratings in the sluices to which you referred just now?—If the fishery conservators thought that they would be any advantage they could be easily put in front of them, that is all; they are only small sluices; the ones at Cutts Weir are quite small sluices.

108. The sluices which you propose to put in are only small sluices?—The ones at Cutts, Cutts Weir, are only small sluices, at Toome they are large sluices.

109. Have you got a plan of those sluices?—Yes.

110. Would you kindly let me see it?—It is in Westminster; I could produce it to-morrow.

111. We should like to see the plans of those various works?—I can produce them to-morrow morning.

112. Will you also produce to us your estimate showing how you are going to spend this 65,000 £.?—Yes.

Mr. Cripps.] I can give you full information upon the plan. I take it that that is to be settled in the future.

Mr. Claude Baggallay.] You are leaving everything to the future, absolutely uncontrolled by anything in the Bill.

Mr. Cripps.] That is a matter of argument when you are asking about matters which are to be settled in future, we cannot give you any information now. You know the scheme of the Bill will be definitely settled at some future date.

Chairman.] I think we had better settle this when a definite question is asked upon it.

Mr. Claude Baggallay.] On page 2 of the Bill, it is recited as follows: "And whereas the total cost of the works proposed for the purposes

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[Continued.]

Mr. *Claude Baggallay*—continued.

purposes of this Act, as estimated, will amount to about sixty-five thousand pounds." And then, in Clause 12 of the Bill, it goes on to say: "The cost of the works to be executed for the purposes of this Act shall be defrayed in the following manner." It proposes to make a provision of 65,000*l.* What I ask for is the estimate upon which that 65,000 *l.* is based; and I submit that I am entitled to it.

Chairman.] I understand the Witness to say that he has not got it at present with him, but that he could bring it to-morrow; would not that be a more convenient time to ask the question?

Mr. *Claude Baggallay.*] I suppose, under those circumstances, I may reserve until to-morrow any cross-examination which may arise upon the estimate or upon the details.

Chairman.] Yes, you may reserve your cross-examination upon the estimates until we have them before us.

Mr. *Cripps.*] Do you raise any question upon the estimates.

Mr. *Claude Baggallay.*

113. Certainly, most distinctly. (To the *Witness.*) After the Commissioners have carried out certain works, the Commission will cease to exist; its powers will lapse, will they not?—Yes.

114. After that period the Conservancy Board will have the duty of maintenance cast upon them?—Yes.

115. You have read the Bill, have you not?—Yes.

116. In Clause 19, have you observed that that clause is not limited to maintenance; but that it enables the Conservancy Board to enlarge the works?—Yes.

117. It will enable the Conservancy Board, will it not, to vary the works which may originally have been executed by the Commissioners?—Yes.

118. And it is possible that those works may result in injury to the fisheries, may it not?—It is possible.

119. And if any compensation ought to be payable to the owners of the fisheries, by reason of the execution of those works, would it not be right that the Conservancy Board likewise should be made liable to pay compensation?—Yes.

Mr. *Cripps.*] Under Clause 28, sub-section 1, we could not do any injury to the fishery.

Mr. *Claude Baggallay.*] I shall be prepared to argue upon the construction of Clause 28 at the proper time. I may just state it shortly now. I say that on Clause 28 I shall have to argue eventually, and to argue that it provides that "Nothing in this Act shall authorise or empower the Commission or the Conservancy Board" to do any work which will injure the fishery, that is to say, any permanent work. It does not prevent them doing certain works which, at the time of doing them, may not injure the fish, but

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Mr. *Claude Baggallay*—continued.

which may result eventually in having done an injury, when that being *ultra vires* work, we shall be unable to get compensation.

Mr. *Cripps.*] Of course, the owner would be able to prevent your doing it.

Chairman.] I am sorry to interrupt counsel, but we shall never get to the end of the case if we argue those points on cross-examination.

Mr. *Cripps.*] I merely point out that on the framing of the Bill the question could not arise.

Mr. *T. W. Russell.*] Mr. Littler's point is that the question of compensation is one of clauses.

Mr. *Claude Baggallay.*] I am taking it now otherwise; we shall have to recall the engineer to go into this matter. (To the *Witness.*) One other thing: Have you considered whether or not the rapid alteration between what we may call a flooded state of the river, and a low water state is very injurious to the fisheries?—Yes; I have considered that.

120. You understand what I mean, that the very rapid rise and fall of a river, which may be accelerated by the works, is injurious to the fisheries?—I do not think it will be accelerated by the works.

121. You mean to say that drainage works do not tend to increase the rapidity with which flood waters are carried off?—In some cases they do.

122. What will be the effect of the works in that respect; will not the effect of the works be to carry off more rapidly the flood water?—No, it will make it more equable. The floods will be very much lessened, and be distributed over a longer period of time. There will never be such great floods or such high velocities as there are at present.

123. As a matter of fact, in the case of Loch Erne, there were very large fishery claims made, were there not?—I do not know anything about Loch Erne.

124. It is referred to in the Report?—Yes, I know what is in the Report.

125. But you know nothing more about it?—No.

126. Have you considered what provisions were made for the protection of the Irish Society and their fisheries in previous Acts relating to the Bann?—No.

127. In fact you come here purely as an engineer, do you not?—Yes.

128. Have you considered the question of the cultivation of fish or fisheries at all?—No, I have not considered the question of the cultivation of fish specially.

Chairman.

129. Would you tell the Committee why it was, and on what ground, you differed from the Report of the Commission as to preserving the navigation at all?—The Commission left me a free hand to modify the designs; in fact, they desired me to use my own judgment in modifying the designs; and I thought it a great pity that the

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[Continued.]

Chairman—continued.

the navigation should be entirely abandoned, and I thought that a five-feet navigation would answer all the purpose. It is all that they get in the Laggan Canal; and on the Royal and Grand Canal it is only 4 ft. 6 in. I thought that a five feet navigation would answer all the purposes. It would, perhaps, not be financially desirable, but at any rate it would be sentimentally desirable to preserve the navigation, and it might stop opposition.

130. Do I understand you to say that a five feet navigation would be availed of by a considerable amount of traffic?—I am afraid not.

131. What would be the difference of expense between carrying out your scheme for preserving the navigation and abandoning it altogether?—Very small, hardly worth considering.

132. What do you mean by very small?—I do not think in the first cost of the works that it would make 5,000 £. difference.

133. In the subsequent maintenance, what would it be?—The subsequent maintenance of it would depend upon what total abandonment meant. If you settle the principle in the case of the lock gates in case of a possible future requirement of the navigation I do not think there would be very much difference, because you would have to have somebody, even if you abandoned the navigation to preserve those lock gates; so that it would be practically the same thing whether you preserve a navigation which is not used at all, or whether you preserve a navigation which is used in a reduced form.

134. Do you consider that there is any prospect in future of this five feet navigation which you would preserve, being availed of to a greater extent than it is at present?—I am afraid not.

135. I suppose there is no doubt that the preventing of those great floods which the works are intended to prevent would be a very great advantage to the adjacent country?—Yes.

136. Do you know whether that is an improvement which has been frequently called for?—Yes, there have been several deputations to the Lord Lieutenant from time to time ever since the works were finished asking for fresh works.

137. You can confidently say that there is great demand for such improvements in the drainage?—Certainly.

138. I did not quite understand the answer you gave about the effect of your proposed works in making the velocity of the stream more equable throughout the year?—Chiefly by the sluices in the Toome Weir. Toome Weir is an outlet of Lough Neagh, and by putting large and wide sluices in that weir we let the flood-water down a long time before it can get down at present; and as soon as the water begins to rise over summer level we begin to let the water down.

139. Is it your opinion that the interests of the fisheries would be less interfered with by such equable velocities that you would have in the stream all the year through, than it is at present by the occurrence occasionally of great floods?—I think so.

Mr. Coddington.

140. What kind of boats will be able to run on the river with five feet depth?—Any boat that can go through the Laggan, or the Newry, or the Ulster navigations.

141. What depth is the navigation now?—The Laggan is five feet.

142. What depth is the navigation of the Bann now?—Seven feet.

143. Then you would reduce it two feet?—Yes.

144. I do not quite understand you where the embankments will be; is it where those red lines are?—Yes, where the red lines are between Carnroe and Derry railway bridge.

Mr. Philipps.

145. What sort of soil are the banks where you propose to make those banks of lower down the river?—That is alluvial soil.

146. Will not there be some danger when those banks are made of the banks crumbling away?—No; they are only small banks like the banks of the Blackwater.

147. How high will the banks be?—Four or five feet.

148. What would be the cost of clearing away the navigation works altogether?—I have not estimated that; you would have to specify exactly how much you want cleared away; I could not estimate that to a few feet.

149. I see here that the total receipts from the navigation of the river are only 70 £. a year; you are going to reduce the depth of the river from 7 feet to 5 feet; is it not likely that in future that the receipts from the reduced navigation will be even less than they are now?—I do not suppose that it will improve the receipts at all.

150. Would it not be worth considering then whether the whole of the navigation works should not be swept away?—I think that would be a pity, you do not know what might happen; and it would cost a great deal to put them back again, and it would not advantage the drainage appreciably.

151. But it might advantage it to some extent?—To a very small extent; sweeping away the navigation works entirely would probably bring you into even more trouble with the fisheries than we are open to as it is.

152. The river would be in a natural state?—Yes, the river would be in a natural state if you sweep it all away.

153. Is it not possible that the sweeping away of the navigation altogether, and leaving the river in a natural state might satisfy the weirs demand, and satisfy the drainage demand?—Yes. You must have a great deal of excavation if you sweep away the navigation works to-morrow, and if a big flood were to occur again it would make very little difference indeed.

154. Could you, when you produce your estimates to-morrow, give an estimate of what it would cost to sweep away those navigation works altogether?—I do not know that I could; I have never looked at it from that point of view. Of course it would not cost much to put dynamite into the weir and blow the weir up. That is one thing I suppose that you would want.

155. That

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[Continued.]

Mr. Philipps—continued.

155. That would be a very cheap thing?—I do not suppose it would cost much.

156. What do you say about improving the fishery; how could your proposed works possibly improve the fishery?—It would enable the salmon and eel fry to get up by lowering the weir and the sluices at Toome and enable the eels to get out of the lock.

157. You said something about stopping poaching in the Lough, what did you mean precisely by that?—The eels get out of the Lough. In dry time, at present, they cannot get out, and the poachers get them. If there were sluices in the weir they would come through the sluices, whereas before that they would make a rush over the crest of the weir itself.

Mr. Morrison.

158. By diminishing the depth of the navigation you would not diminish the expense of maintenance, would you?—No, but we facilitate the drainage. To take two feet of Toome Weir will do as much, or nearly as much, as taking away Toome Weir altogether. If I were to take away Toome Weir altogether, I should only lower the flood in Lough Beg (that is a little lough below there) nearly three inches; it would only make it three inches better taking the weir away altogether than it is at present.

159. The annual outlay is 1,100 £, and the receipts 70 £; is the work of keeping up that expense disproportionate to the benefits received?—They are very valuable works; they have cost a very large sum of money already.

160. Is there any value in works which are a losing concern?—A prospective value.

161. There are no salmon leaps now; the salmon come up the weirs, I understand?—The Cutts is a sort of salmon leap; they come up. I do not know what the technical term is.

Mr. Cor.

161*. Suppose you leave a five feet navigation, would that benefit the drainage?—It would benefit the drainage enormously to take off two feet.

162. Another two feet?—That would be sufficient. Another two feet would make no navigation all. If you were to sweep away Portna Weir, you would only make the floods in Lough Beg three inches lower than I propose by taking it down two feet six. That is in consequence of the narrow channel.

Mr. O'Neill.

163. You propose to keep up your present loughs?—Yes.

164. And consequently the lock-keepers would remain there, and there would be no diminution of expense?—If there is no navigation the keepers need not be living there, they would have to be looked after occasionally; you do not require a man to be living there constantly unless there are boats going through.

165. Have you made any calculation of what reduction there would be in the navigation expenses?—The maintenance of the drainage would be practically inappreciable, because while they are looking after the drainage they can look after the locks as well.

0.129.

Mr. O'Neill—continued.

166. Nearly all this 1,100 £ a year which is now spent would be done away with?—It will probably become a part of the maintenance of the drainage, and it can be done at the same time. As long as no navigation is wanted it would not appreciably add to the expense of maintenance of the drainage, they must look after the locks.

Mr. T. W. Russell.

167. How many locks are there?—Five locks, and one of them is double.

168. Are they all in a good state of repair?—They are in fair repair I think. I have not examined the gates.

169. Do you know that there is a considerable feeling in the neighbourhood that the mere doing away with the navigation works would remedy the whole mischief?—I know that there is that feeling in the neighbourhood.

170. Do you agree with it?—No.

171. Do you know any engineer who is of that opinion?—No.

172. In your opinion the clearing away of the navigation works which have been erected at enormous cost and are in excellent repair, would not secure the object that you have in view?—Certainly not.

173. You say that the receipts from the navigation amount to 70 £ a year?—Yes, and the maintenance has been 1,100 £.

174. Can you tell me how that is made up; is that all due to the navigation?—Yes, that is navigation, maintenance, and the maintenance of the locks. Mr. O'Neill will probably give you more detailed information.

175. What is the proposed embankment at Carnroe; you say it is practically the same as those in the Blackwater?—They will be all the same as those in the Blackwater.

176. Do you know whether there is a feeling in the neighbourhood against the embankment at Carnroe?—Yes, I have heard so.

177. Are you aware that the embankments on the Blackwater at Caledon have given way?—I am not aware of that, I have not heard of it.

178. Then financially you do not think it practicable to lower Lough Neagh below summer level?—Financially I do not think it practicable.

179. Do you mean that it would involve compensation to the Ulster Canal?—It would involve first making a new lock at Carnroe; and, secondly, deepening the Blackwater for several miles. It would involve the deepening of the Upper Bann for several miles; it would involve dredging in the shallow places, and probably involve fishery compensations; it would involve another lock at the mouth of the Ulster Canal, and then all the frontagers would want compensation.

180. In your estimate of 65,000 £ for these works have you allowed anything for maintenance?—No, not for maintenance; not in the 65,000 £.

[The Witness withdrew.]

Mr. Littler.] I propose to be very short with regard to the other witnesses. I have only called the engineer. It is apparent from

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from the cross-examination that so far as this side of the table goes it is purely a matter of clause. I will call one or two other engineers, and will ask them shortly

whether they concur in the evidence they have heard, and the Committee will ask such additional questions as they think proper.

Mr. WILLIAM J. O'NEILL, sworn; and Examined.

Mr. Cripps.

181. You are engineer to the Lough Neagh drainage district, are you not?—Yes.

182. And also to the Upper Bann navigation district?—I am.

183. And you have been acquainted with the Lower Bann for 30 years?—Yes.

184. I think you were present in the room whilst Mr. Gamble was giving his evidence?—Yes, I was.

185. May I ask you whether you agree generally with the evidence which Mr. Gamble gave?—Yes.

186. You have also large experience in land valuation, have you not, besides your engineering experience?—I have.

187. And do you consider that the extent of land now injured by floods amply justifies the proposed expenditure of about 65,000 l.?—I do.

188. You assisted Mr. Gamble, did you not, in preparing the plans?—I did, generally, in getting out the details.

189. In your opinion would the proposed plan carry out the object which Mr. Gamble stated?—Decidedly.

Cross-examined by Mr. Fitzgerald.

190. As I understand, the object is to keep the level of Lough Neagh as nearly as possible to summer level?—Yes.

191. And as soon as the water rises at Toom Weir above summer level, you propose to open the sluices?—Yes.

192. There are no sluices there now, I believe?—No.

193. Is it not the case that September and October are the best fishing months for eel fry below the weir?—I believe so.

194. And that the time when eels are taken is in high flood?—Yes.

195. That is at the Toome eel fishery below Toome Weir?—Yes.

196. On the other hand, for net fishing in the late the object is to keep the water as low as possible?—Yes.

Mr. Claude Baggallay.] I do not propose to ask anything further until I see the plans and estimates.

Chairman.] Perhaps I may tell you whilst you are on this question of plans that we do not propose to make this Committee a court of appeal on questions of engineering. With what view do you intend to ask for the plans?

Mr. Claude Baggallay.] For two or three reasons. One particular reason is to see what the nature of the works is in order to be able to ascertain whether our apprehen-

sions with regard to injuries to the fisheries are well founded; another is with regard to the engineering, which I need not go into in detail now; another is to see whether, in your opinion, the works are such that they should, before being sanctioned, be placed under the direct approval of some body, and not left to a body living at a distance purely as a commission from time to time. Then we shall ask you to decide absolutely that all the work shall be submitted to some sanction as I suggested to Mr. Gamble just now. Under the Bill as it stands, especially Clause 11, although certain plans may be submitted there is no obligation to execute any of the works in accordance with the plans.

Mr. Littler.] They will be executed by the Commission.

Mr. Claude Baggallay.] The Commission may be all dead in a year, and there is no provision for continuation, or for a new Commission. And another thing is with regard to the estimates, we want to see them; we want to see how nearly, and in what way the estimates run up to 65,000 l., because we may have evidence to show the possibilities of very large claim for compensation in respect of injury to the fisheries. The fisheries are let on lease for 5,000 l. a year; there may be a very large claim in respect of them. That may be a very important element for the Committee to consider before deciding upon this Bill. Also note there is to be a claim for compensation over and above that 65,000 l. And it may be a very serious question as to where that money is to come from, and how it is to be charged. Supposing this money had to be advanced from some source, and had to be charged either upon the county cess, or upon the persons specially benefited, it may be a very serious matter for the consideration of the Committee before they decide that point.

Chairman.] The reason I asked the question was this: I wished to guard against letting these witnesses go without cross-examination, under the impression that we were not, in point of fact, going into all the engineering questions which have been very carefully considered by engineers of great eminence, and which have never been submitted to us at all, and which, before being adopted, will have to be submitted in their final form to the council to be elected for the purpose of considering them. I may say that the Committee do not intend to set up their opinion upon questions of engineering.

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Mr. O'NEILL.

[Continued.]

Mr. *Claude Baggallay*.] I am not going to ask the Committee to act as a court of appeal upon the plans. I should not think of doing that, because this Bill differs from all ordinary private Bills in which there is to be a deposit of plans, and the promoters are tied down to a particular plan; but still, we are in this position before you, that we are fighting in the dark as to what we shall propose when we come to clauses, unless we know something of what the works are to be, and something of what the estimates are.

Mr. *Littler*.] I can tell you roughly. The estimates are something like 64,000 £, but they include 10 per cent. for contingencies; but you will remember the first witness mentioned that there is a margin of 6,400 £ for anything that turns up.

Mr. *Claude Baggallay*.] The plans are already made.

Chairman.] When the engineer brings his plans and his estimates to-morrow, you can discuss with the learned Counsel for the Bill how far you may go into the questions which you have stated. I only wish that you should not suppose, in arguing now, that you

are to re-open the whole question as to the propriety of the engineering proposals.

Mr. *T. W. Russell*.

197. (To the *Witness*.) You have had a longer experience of this river than Mr. Gamble?—I have been a longer time on it.

198. Do you remember the river before those navigation works were there?—I do not.

199. Do you concur with Mr. Gamble that the mere removal of the navigation works would not remedy the evils arising from floods?—Decidedly; that I am quite clear about.

200. With regard to keeping up the navigation in a modified form, do you know anything about the action of the Coleraine Harbour Commissioners?—I do not.

201. Do you know that they have made a channel to the sea at a great cost so as to complete the navigation?—Yes.

202. Do not you think that the proposal to keep up the navigation in this modified form, in view of the future and in view of the progress of Coleraine is very important?—Yes, I think so; certainly.

[The *Witness* withdrew.]

MR. ROBERT MANNING, sworn; and Examined.

Mr. *Littler*.

203. You are a member of the Institute of Civil Engineers?—I am.

204. And you practise both in London and in Dublin?—Yes.

205. And you are chief engineer to Her Majesty's Board of Works in Ireland?—I am.

296. In the year 1876 you were employed, were you not, to examine and report upon the state of the Bann river?—I was.

207. Subsequently, in 1883, you had a careful survey made, had you not, in order to propose measures for the relief of the lands in the Lough Neagh district?—Yes.

208. That report you presented to the Commissioners in March 1884?—Yes.

209. And you were subsequently examined before Lord Monck's Commission, and in 1886 and 1887 before the present Commission?—Yes.

210. You have been in the room during the examination of the previous witnesses; do you generally concur with what they have said?—I generally concur in Mr. Gamble's evidence; it is almost the same scheme that I proposed some years ago.

211. In fact the aim of any intelligent engineer would be to maintain a channel capable of discharging the water of the range draining into Lough Neagh?—Yes, and the drainage engineer would endeavour to keep the surface of Lough Neagh at the lowest level he could, and have a channel from Lough Neagh which would enable him to do that.

212. So far as you have formed an opinion do you think that the scheme before the Committee sufficiently provides for all reasonable objects?—

Mr. *Littler*—continued.

I have not seen the plans, but so far as I know the scheme, I think the plans go nearly to the limit to which it would be proper to incur expense in draining.

Chairman.

213. Have you considered the question of the effect of the proposed drainage scheme on the fisheries?—No, I do not know anything of the natural history of fish; but so far as I know the effect of the scheme now it is really practically merely to maintain works that were carried out thirty years ago; and therefore if the works did then do injury the works now will do injury.

214. Have you heard that the works which were executed then actually did injury to the fisheries or not?—I do not know. Not at all I think. On the contrary I believe the fishery at that time so far as I remember was sold by the Commissioners of Public Works for between 1,000 £. and 2,000 £., and the rent paid for these fisheries afterwards was I believe 1,000 £. or 2,000 £. year or more, I believe 2,000 £. a year.

Mr. *T. W. Russell*.] I am sorry to say that I have heard they parted with them for something like 600 £. to Mr. O'Neil.

Chairman.

215. You will be here to-morrow, and also Mr. O'Neil as well as Mr. Gamble in case any questions should be asked when the estimates are produced?—Yes.

[The *Witness* withdrew.]

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Mr. *Littler*.] The only question here is the question of this salmon fishery which we think is protected by the Bill; subject to anything that my learned friends have to say. I do not propose to call any further witness on the part of the Government.

Mr. *Pope*.] How can we be protected by the Bill unless we know what the Bill is going to do?

Mr. *Littler*.] Somebody has been informed while you have been out of the room, Mr. *Pope*.

Chairman.] Do you wish to address the Committee, Mr. *Pope*?

Mr. *Pope*.] I should very much prefer, Sir, to see those plans which are to be produced to-morrow before I address the Committee.

Chairman.] So far as the cross-examination of the earlier witnesses has gone it appears that the opposition is rather with the view to securing compensation in case of injury being done than against the general policy and principle of the Bill.

Mr. *Pope*.] It would certainly shorten my duties very materially if the Committee were prepared to say that we should receive compensation for any injury inflicted upon the fisheries by the execution of any works which might be agreed to by the Board ultimately.

Chairman.] I did not mean to say that; but what I meant to say was that the cross-examination up to the present time had rather pointed to objections to the Bill which might probably be met by clauses rather to an opposition to the preamble of the Bill; and I was therefore suggesting to you whether it might not be convenient to deal with the preamble first, and to reserve those objections till you come to proposed clauses.

Mr. *Pope*.] Of course I would rather be without the Bill; but if the Committee come to the conclusion that in the general interest it is desirable that there should be some such powers, then all that I am anxious to do is to secure that those powers shall not result in individual loss to my clients.

Chairman.] So I understood. Of course the Committee would be prepared to hear you fully in support of any clauses that you may bring up with a view to carry into effect that desire on your part; but the question at present is whether we shall go on calling witnesses to discuss the general policy of the Bill, or whether we should reserve the discussion for the clauses.

Mr. *Pope*.] My position, Sir, is this. Of course as regards opposition to the preamble, I should object to any Bill if it were not accompanied by fair conditions towards myself; and therefore I cannot assent to the passing of the preamble, unless I know whether the Committee would be disposed to give me the compensation which I think I ought to have. If the Bill were so accompanied by such compensation, I do not know

that I should persevere in any opposition to the preamble; and if you think it a convenient course to adjourn your decision upon the preamble, and to take the discussion of the terms upon which I should be willing to assent to it, I should be very willing to put my witnesses into the box to say exactly what is our case, supposing that you pass the Bill as it stands.

Mr. *Littler*.] I cannot say that I am quite prepared to accept my learned friend's position. I pointed out when my learned friend was busy elsewhere that the whole of the allegations in all these petitions are simply with regard to the question of compensation; there is not a single allegation that our scheme is bad.

Mr. *Pope*.] There is no scheme.

Mr. *Littler*.] On the contrary there is a general scheme such as is always laid before Parliament for this particular class of Bills. There is never for this class of Bills an estimate or any deposit. It is just one of that class of Bills in which you are always left at large, and we have adopted the usual course for such a class of Bill. We simply state the object in view, what is proposed to be done, without any deposited plan or estimate for this class of bill. We have done everything that the Parliamentary Standing Orders require, and therefore I say that as my learned friend does not allege that it would be a bad thing to have drainage for the Bann (because that is the only preamble question); and as to the terms upon which it is to be carried out, my learned friend is perfectly entitled, as I have already stated, both under his petition and according to the ordinary practice of the House, to say what condition he asks to have imposed.

Chairman.] I understand the situation, Mr. *Pope*, to be this: There have been, of course, previous drainage schemes alone, and losses have been sustained, and those losses have been more or less compensated. There have been, as we all know, supplementary estimates within the last ten years, at all events, on more than one occasion, submitted to Parliament for the purpose of providing money for persons who have suffered under drainage schemes. I quite understand that it is a fair contention on your part to say, if you can sustain it, that the clauses of this Bill are not so framed as to admit of your clients obtaining such remedies; or else you may say, if you like, that those remedies are not sufficient for the purpose. But I do not see that you can oppose the preamble of this Bill, which is one of general policy, simply because you say, "I will not assent to the advisability of the drainage of the Bann district at all until I know whether the provision that you will make for my compensation will be satisfactory or not." I do not think that is quite logical; and you would find it difficult, I think, to sustain that before this Committee.

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Mr. Pope.] It is the common form in which opposition to preamble, which is frequently an opposition upon a condition, ordinarily comes before a Committee. We say, "Do not pass this Bill first until they satisfy you as to what they are going to do," which we have never heard until this moment, and do not know even now. Then, "Do not pass it unless you can secure the means of compensation for interests which are injured." It is clearly a question, for instance, of preamble that I should deal with the very question which you have suggested, namely, that if there be injury there is no fund out of which the compensation can come; and if you pass this Bill with compensation in it, unless it is accompanied by something which will be equivalent to a supplementary estimate, there might be no fund out of which the compensation could come. That may be; it will depend upon what the works are going to be which will be executed. It may be that the works which will be executed will not exhaust the whole of the fund, but that there will be a reserve to meet such contingencies as you may think it just to put upon the promoters. I confess that I do not see how I can withdraw from objecting to the Bill, although, as you see very plainly, my objection is not so much the principle of the Bann Drainage as to the Bann Drainage without conditions.

Mr. T. W. Russell.] Is not your position this: that in view of a problematical danger to your clients (because it is only problematical at the present time, at all events) you step in to stop the passing of the preamble of this Bill having a public object?

Mr. Pope.] If you will forgive me, Sir, it is more than problematical. It is not as if you were in a position to say that the works which may be ultimately carried out may only be a problematical injury; but if you pass this preamble, there may be a certainty of injury.

Mr. T. W. Russell.] The evidence which we have had here to-day is, that they are going to improve your position.

Mr. Pope.] But how can you have any evidence as to anything, the plans of which are not before you?

Mr. T. W. Russell.] That is the evidence of Mr. Gamble.

Mr. Pope.] We do not know what the plan is.

Mr. Littler.] It has been as fully described as any engineer I ever came across could have described it:

Mr. T. W. Russell.] You see, Mr. Pope, you have not heard Mr. Gamble's evidence.

Mr. Pope.] I have not, and I am not dealing with it; but I am dealing with the Bill; and although I say that it may ultimately be that the scheme carried out under the Bill may be that which is shadowed out in Mr. Gamble's evidence, I do not know it, nor is there anything in this Bill which

would bind them in any way to adopt Mr. Gamble's scheme.

Chairman.] But I think that the contention of the Counsel for the Bill is this: He says, that this Bill differs from other Bills that have to come before Committees of Parliament, because in those cases there are deposited plans, and that the promoters would be bound by the plans which they deposited; but that in this case there are no such deposited plans, because the Commission is to be empowered to present in detail plans to the Conservancy Board of the future, and they are to decide whether those plans are good and proper plans: and therefore we cannot be expected to go into the engineering questions before this Committee upon plans which are not before us.

Mr. T. W. Russell.] Then if you delay the preamble until the Conservancy Board decides upon the plans, we should not get the Bill passed at all this Session.

Mr. Pope.] I do not ask you to do anything of the kind. I simply ask you that the plans which have been suggested as likely to be adopted should be put before us; that is all. I do not ask the Committee to postpone the preamble until the Conservancy Board have adopted it. If you like to pass a Bill which really hands over to the Conservancy Board the powers of Parliament in deciding upon plans—

Chairman.] That is not the point, Mr. Pope. The point is, I think, whether we shall more conveniently discuss these plans which the engineers have undertaken to bring up to-morrow, upon clauses as to compensation, or whether we shall discuss them upon the preamble of the Bill.

Mr. Pope.] Quite so. I would suggest that the most convenient course, seeing that the engineers have promised to bring up these plans to-morrow, would be to adjourn until to-morrow; and in the meantime we will send clauses to the other side upon the supposition of those plans.

Chairman.] That is a waste of half a day.

Mr. Pope.] If that does not commend itself to the Committee I will not press it.

Mr. Littler.] I am told that the plans are in Great George-street.

Chairman.] We had better send for them; and there are some witnesses who have been summoned who can be examined.

Mr. T. W. Russell.] Are we to postpone the preamble and go on with the evidence?

Mr. Littler.] Wherever you do not take land compulsorily in this class of Bills you do not deposit plans or estimates. That has been the case with the four Irish Bills that have been before the House; I suppose this is probably the only one that comes to anything. Where land is sought to be taken compulsorily plans and estimates are deposited; but here there is no land to be taken compulsorily, and gentlemen can please themselves, and say, "We will not consent

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consent to your taking the land"; they are their own protectors.

Mr. Pope.] I emphatically dissent from my learned friend's narrow exposition of the necessity for depositing plans. Where any interest can be injuriously affected, that is where the whole thing depends upon an agreement between the parties interested, I can understand there being no necessity for plans; but I presume that I am as much entitled to object as an owner of land; in fact I am the owner of the River Bann.

Chairman.] We have sent for the plans at once. Then there are some witnesses who have been summoned by the Committee, we had better have them.

Mr. Pope.] I have no objection to the course proposed to be taken by the Committee.

Mr. Littler.] Then I understand, Sir, you pass the preamble and now proceed to examine the witnesses who have been summoned by the Committee.

Colonel Sir WILLIAM F. L. CONYNGHAM, K.C.B., sworn; and Examined.

Chairman.] YOU have been asked to attend at the suggestion of my honourable friend the Member for South Tyrone, and he will ask you some questions on the subject now before the Committee.

Mr. T. W. Russell.

216. You are Chairman of the Magherafelt Board of Guardians, I think?—I am.

217. Have the guardians had any meeting about this Bill?—Yes, on this day week they met, and they had the Bill under consideration. I was not present at the discussion; I was unable to be there.

218. Do you know what decision they arrived at?—They arrived at a unanimous decision of opposition to the Bill and disapproval of it altogether.

219. That resolution was forwarded to Members of Parliament, was it not?—I understand so.

220. Are you aware that it was accompanied by no reasons for their action?—I am.

221. Will you be good enough to tell us then what their reasons were?—I was not present at the discussion, but I can tell you why they objected to the Bill. The reasons for passing that resolution I know from a previous conversation which I had at a meeting the week before. They object to it because the plan is not submitted in the Bill of what is to be done. That was one reason for objection. They objected to it because they did not consider that the higher lands ought to be taxed for the improvement of lands affected by the Bann flooding.

222. Is that all?—No; they objected to it on account of the representation on the Conservancy Board, holding that it was not fair that the constitution of the board, enabled three-fourths of the members who reside upon the special lands to overrule the one-fourth who represent the remainder of the catchment area. The special lands only paying 8,000 £, and the catchment area 37,000 £. Another objection was that the catchment area was not defined. That appears to have been a mistake, as this map which is above us appears to define the catchment area. They also objected on account of the charge for maintenance, because it is not shown in the Bill upon what basis that calculation is made. The Bill says that the cost will be about one penny in the £. They objected not knowing what was the basis of the calculation. I was advised that if

Mr. T. W. Russell—continued.

the Bill continued, it would be better to insert that the taxation should not exceed one penny in the £. They also objected to the retaining of the weirs and locks for the purposes of the navigation, the navigation having proved entirely useless, and being likely to remain useless. They objected, as I said before, to the scheme which is to be carried out not being before them. In Section 11 of the Bill, powers seem to be given to the Conservancy Board to carry out other works thereafter provided, and also within the catchment area to carry out very considerable works. I do not see where the funds are to come from to carry out those works, as it seems that the whole 65,000 £. will be required to carry out the works upon the Lower Bann alone. With regard to the question of compensation, what we have heard to-day was also a ground of objection, namely, that where the funds are to come from in the cases of compensation is not provided for always supposing that the 65,000 £. is required to carry out the works. Attention was called to Section 35, not only at that meeting but at others; it gives to the Lord Lieutenant the power of taking away bridges and assessing the cost of them upon the county cess, if it is found that they were originally improperly constructed or subsequently altered, so as to be an impediment to the natural discharge of the water. I think it will be admitted that no bridge can be constructed which does not to a certain extent impede the discharge of the water of the stream. That would involve the alteration of almost all the bridges upon the rivers running into Lough Neagh from the catchment area of the greater part of that district.

Chairman.

223. I do not quite follow that last objection?—It might involve the removal of all the bridges, and its being said that they were originally improperly erected, would throw the whole cost of rebuilding them upon the county cess. So far as the drainage of the greater part of this catchment area is concerned (I am speaking of the Unions of Cookstown and Magherafelt), it was likewise discussed in Cookstown last Saturday, and they adopted the resolution of the Magherafelt board of guardians, with the addendum that they objected to it because it in no way provided for the improvement of the rivers running into the lake which were subject to flooding.

224. Tributaries

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Colonel CONYNGHAM, K.C.B.

[Continued.]

Mr. T. W. Russell.

224. Tributaries?—Tributaries. Those lands which lie considerably above the lake are in no way affected by the drainage of the Bann; we are not backed by the lake to any great extent, nor can be; we lie so much higher above it.

225. You are on the uplands?—Yes.

226. May I put it in this way. That the principal objection of the Magherafelt board of guardians is to the taxation of the catchment area?—Yes; I think that would be a fair way to put it.

227. I suppose that that objection governs everything else, and that that objection once established, of course any scheme could have been taken to pieces?—Decidedly.

228. But the real objection that the Magherafelt board of guardians felt is to the taxation of the catchment area?—Yes; and that is the objection of Cookstown too.

229. But Cookstown objected because there was not something more done?—Because the other rivers running into Lough Neagh would not be improved.

230. Do you concur with those objections yourself personally?—I do.

231. Do you think that it is an unfair thing for the uplands to be taxed in a modified way for this object?—If it is true, as has been represented to-day, that only 29,000 acres are to be benefited by this drainage of the Bann I think the 29,000 acres might pay for it. We derive no benefit. We may do them a little harm by sending the water down.

232. Is it not a fact that the uplands contribute the water which floods the lowland?—Considerably.

233. And do you not think as a matter of fair play that the area which contributes the water that floods the lowlands ought to bear some slight share in the expense of draining it away?—If the Act would limit the expenditure.

234. You consider it a fair proposition in principle that the uplands contributing the water which floods the lowlands should bear a fair share of the expense of drainage?—I think in principle that if a man does harm he ought to pay for it.

235. Then your objection would be, at all events, modified, if not altogether removed, if the taxation of the catchment area was limited to 1 *d.* in the £.?—I do not say that that was the opinion; they objected to it upon the principle that they ought not to be taxed at all.

236. But you do not concur in that objection?—Not entirely.

237. Now with regard to the constitution of the Conservancy Board, how do you make it out that three-fourths of the members are to belong to the specially benefited area, and only one-fourth to belong to the catchment area?—I make it out from the 9th clause of the Bill, which provides that the number to be nominated by the boards of guardians and town commissioners shall be such as the Commission think proper, and such nominated members taken together shall constitute one-fourth, and the remainder of the board shall be constituted by the members representing the occupiers of land in the special districts, and the member appointed by the Lord Lieutenant.

238. You are aware that the special area is to 0.129.

Mr. T. W. Russell—continued.

be specially rated?—Yes; to the extent of 8,000 *l.*

239. Do you see any harm in keeping up the navigation works in the way Mr. Gamble has described?—I see no harm in doing it provided it does not interfere with the better drainage of of the river; but if the drainage of the river would be improved by the removal of the navigation works, I think decidedly they should take them away; I do not see what is the use of leaving them myself, for I am quite satisfied that there will never be any navigation there; you might as well talk of navigating your hat; in the first place the bridge at Coleraine will not admit of it; there is no swing arch in it.

Chairman.

240. Do you mean that no vessels can come up through that bridge?—They cannot do it; the bridge has no swing arch in it; in a high tide you could not row a boat under the arch.

241. I thought we heard that the Coleraine people had objected to the navigation being taken away altogether, because they said that although there might not be much use for it at present, they hoped there would be use for it in the future as their town advanced?—You cannot get anything under the bridge at high tide; I am sure there is not three feet between the arches and the water at high tide; at low tide nothing could go under it but a mere boat; I am quite satisfied that an ordinary lighter could not get under, and it has always been so.

Mr. T. W. Russell.

242. Then the Committee may take it, at all events, that the main objection of your board is to the taxing of the catchment area?—And generally what they seem to think the uselessness of the scheme, unless the navigation is done away with, and the river made a pure drain from Lough Neagh.

243. You have heard, however, the engineer's opinion to-day, that the mere removal of these navigation works would not accomplish the object?—I heard Mr. Gamble, I think it was, say that it would make a very trifling difference in the outflow of the water; and there is another part of it, I think, that attention ought to be called to, and that is the cost of the maintenance of the works. That seems to me to me to be an enormous sum of money. It states in the preamble of the Bill that the sum for the maintenance will be 660 *l.*, and the charge for capital would raise that to a sum of 1,020 *l.* The maintenance charge upon the catchment area would be 3,383 *l.* Adding for capital expenditure 1,665 *l.*, the interest of the money and the maintenance works would now amount to 5,048 *l.* The present cost of it, including the navigation and the drainage, is about 3,000 *l.*, I am told, and I believe I am right in saying that it is not more than 3,000 *l.* That would add very largely to the expense of the maintenance, without in my judgment, any commensurate benefit. That is an idea of my own; I do not say that that is correct.

Mr. Morrison.

244. Have you calculated how much one penny in the £. would produce on the whole area?—I did

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Colonel CONYNNGHAM, K.C.B.

[Continued.]

Mr. Morrison—continued.

—I did not know what the area was until I saw that map over the chimney-piece. That was one of the objections to the Bill.

Chairman.

245. But I do not understand that the line marked there is a final one?—It is headed "The Catchment Area of the Bann," I merely take it from what is there.

Mr. JOHN GEORGE GAMBLE, re-called.

Chairman.

246. As I understand, the way in which the Bill is drawn it will be the business of the Commission, when constituted, to define, in the first place, the catchment area of the Bann; is not that so?—Yes; that is the geographical catchment area, but, for example, below Coleraine town there may be portions of that which cannot possibly be in any way chargeable by the Bill.

Chairman—continued.

They would be naturally omitted by the Royal Commission when they define the catchment area. That is the geographical catchment area.

247. But that is not the catchment area as it will be submitted by the Commission to the Conservancy Board?—No, not necessarily.

Colonel Sir WILLIAM CONYNNGHAM, re-called.

Witness.] THAT, again, is to be decided. That still more intensified the objection we have that there is nothing definite in the Bill to say what is to be paid, or who is to pay it; putting it in a short way.

Chairman.

248. I suppose there is no doubt, as we heard it stated early to-day, that at present the lands lying along the river do suffer very much for want of proper drainage?—I believe that that is the case, but I cannot say from my own knowledge. I live some distance from the Bann, and I do not know it very well.

Mr. Philipps—continued.

very intimately, but he knows it a great deal better than I do.

257. In your view, if these navigation works were done away with entirely, there would be a saving of something like 1,030 £. a year, which might be devoted to some other objects?—No doubt.

258. The district would be benefited to the extent of 1,030 £. a year?—Yes; there would be a saving from doing away with the maintenance of these works.

• *Mr. Cox.*

259. Does your board of guardians approve of the Bill generally; do they wish the Bann to be drained?—They disapprove of it unanimously in every respect.

260. They do not want the Bann to be drained at all?—They say that it does not benefit them in the least. There is hardly a man on the board who is benefited by it; it does not affect any of them on the board at all. There are one or two members who live nearer to the Bann, and I was told (I cannot answer for myself because I was not present) that they were the strongest opponents of the Bill.

261. How near to the towns of Cookstown and Draperstown does your Magherafelt board extend?—Cookstown is in the County Tyrone; it is not in the Magherafelt board; it is in a different union. Draperstown is in the union of Magherafelt.

262. Does it go as far as Maghera?—Yes, Maghera is in the union, and so are Draperstown, Swatragh, Money more, Magherafelt, and Ballyronan.

Mr. T. W. Russell.

263. All the evidence which you have given here to-day has been on behalf of the catchment area?—It has.

264. The people whom you represent belong to the catchment area, and have nothing to do with the specially benefited area?—No, I do not think any of them have.

265. Does Mr. Meek, whose name you have given,

Mr. Philipps.

249. Is it a poor district, as compared with other parts of Ireland?—No, certainly not.

250. Are the tenants small holders, or do they hold a considerable acreage?—They are not small holders, taking it all over the catchment area; but what district do you refer to?

251. All over the catchment area, first of all?—There are in the area, which is comprised within those red lines, some of the most comfortable farmers in the north of Ireland.

252. Upon the special area, those 29,000 acres which would be specially benefited by the drainage, are the tenants poor, or well-to-do?—I should think they are well-to-do, but I am not very specially acquainted with that part of the river.

253. But taking it as a whole, the catchment area, is it not, one of the poorest districts in Ireland?—Certainly not.

254. Are you sufficiently acquainted with the special area, these 29,000 acres that are going to be benefited, to tell me what the average rental value of those lands would be?—No; I do not know it.

255. Are the other gentlemen who moved and seconded this resolution at your board of guardians, gentlemen who would be more likely to have knowledge on that point than you would?—I think one of them would.

256. Could you give me his name and address?—Mr. Thomas Meek. I do not know that Mr Meek knows the rental value of the land

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Colonel CONYNGHAM, K.C.B.

[Continued.]

Mr. T. W. Russell—continued.

given, live in the benefited area?—No, he does not.

Mr. Coddington.

266. Whereabouts on the map is the district that you represent?—Just above Lough Neagh; it runs down to the left. This is the boundary between Tyrone and Derry, and the union goes down to there and up to here (*describing the plan*).

Chairman.

267. Practically neither of those districts is on the part of the river where the flooding takes place and the damage is done?—No.

Cross-examined by Mr. Littler.

268. At the particular meeting when this Bill was discussed you were not present, but have you any idea how many guardians there were there?—It was a special meeting of the board.

269. I am told that out of 54 guardians there were five present?—There were far more than that I know.

270. You told us that you were not there?—I was not there, but I was told that there were a great many present; I can count them.

271. There are 54 guardians I think, are there not?—Yes; including *ex-officio* and elected guardians there are about that number.

272. I am told that you were named as chairman of the special meeting, but that it was not convenient for you to attend?—I could not attend on the day of the meeting.

273. One of your complaints, as I gather, and one of the earliest ones, was as to that clause giving power to the Commissioners to execute general drainage works; that was one of the earliest complaints that you made out of your memorandum book, was it not?—I do not know what you refer to particularly.

274. I refer to Section 11?—We do not object to the power that is given there, but we want to know where the money is to come from to do it.

Mr. Littler—continued.

275. Do you happen to know that that is one of the usual powers which is given for this purpose, that it is merely a subsidiary power for the purpose of enabling the Commissioners to carry out any works that may be necessary?—I presume that it must be inserted for that purpose; but we want to know where the money is to come from.

276. Had you any information before you which showed that it was going to cost an extraordinary sum of money?—None whatever. We only looked at the Bill which said that the money was to be expended, but we did not know where the money was to come from.

277. So far as you know was any gentleman present at the meeting who had either read this Blue Book or attended any of the meetings of the Commission which took the evidence?—I do not know of any.

278. I should rather assume that that there was not?—I was not at home.

Mr. Cox.

279. You said that this was a special meeting specially convened for the purpose?—Yes.

Mr. Philipps.

280. Something was said about the meeting of the guardians being a small one; I suppose the whole 54 *ex-officio* guardians do not attend very regularly do they?—Hardly ever. I seldom or never see the entire number there. On one particular day when they are striking the rates there is the largest representation that we ever have.

281. This meeting of the board of guardians so far as you know was an average sized meeting?—Yes, I believe so; but I cannot say of my own knowledge.

Mr. T. W. Russell.

282. Are you an *ex-officio* guardian yourself?—I am an *ex-officio* guardian of Magherafelt, and an elected guardian of Cookstown.

[The Witness withdrew.]

Mr. MARCUS GAGE, sworn; and Examined.

Mr. Pinkerton.

283. YOU are a resident in the immediate neighbourhood of the Bann?—I am.

284. Do you know the Magherafelt Union?—I do.

285. What proportion of the land in the Magherafelt Union would be benefited by this drainage scheme?—There would be a large portion along by the lower lake.

286. Would one-tenth of it be benefited?—I should say somewhere about that.

287. Consequently nine-tenths of the people in that district would be opposed to the scheme?—I do not know; I would not say that. There are a great many in the catchment area who are opposed to it; they do not object to the drainage, but they object to paying their share of the cost.

288. What would be your idea with regard to the alterations necessary in the Bann?—I think that alterations which would result in a great

Mr. Pinkerton—continued.

deal of good could be very easily done, not costing nearly so much money as it is proposed in the Bill to expend.

289. Would the free grant of the Government be equal to removing the obstructions at the present time interfering with the flow of the river?—I think the free grant of the Government would make a very material difference in it, and improve it very much; I think it would more than do it.

290. Would you be in favour of any embankment scheme?—Certainly not.

291. Will you give your reasons for objecting to it?—The chief floods that the land suffers from along the Bann are from the backwaters of the Agivey, and several other small tributary rivers, the Bann coming down in such force that it drives the water of the small rivers back.

292. Are the banks in those flooded districts alluvial?—

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Mr. GAGE.

[Continued.]

Mr. Pinkerton—continued.

alluvial?—I should call it bog; it is better known as bog in Ireland.

293. With regard to the Government proposal, would you prefer that the new board should have power to originate, and not that it should be there simply for the purpose of carrying out the decrees of the Commission?—Certainly. I may tell you that I remember the Bann before it was interfered with at all, and I also remember the time when it was done, and the way in which it was done. The actual work, so far as the building and the cutting was concerned, was very well done, but it was very expensively done, and there were some places where, when the river rose and came into the cutting, they pumped out the water once or twice, and then they got tired of doing it and took a little more out of a softer place and left the hard place remaining. I could point out some places where the remains of the stanks are in the river still.

294. Are you in favour of the renewal of the navigation works from the river?—Yes; but there seems to be a wish to keep some of the navigation works. I believe that if there was a couple or three feet taken off at the Cutts, the navigation would have very little harm done to it. I do not think you need touch Carnroe at all; you might take a little off the weir, but you need not touch the locks there or the locks at Portna.

295. When the flood-gates are open at Cutts, is the effect perceptible where you live?—They are never opened.

296. On some occasions I believe they are?—I never knew them to be opened except for a boat to go through, and you would not know it then; but I know myself at the Cutts on a Monday morning the gates are not put down till six o'clock, and when there has been any flood at all in the Agivey water you would know it by seven o'clock, the water would be flowing an inch higher at Carnroe; I used to know it when we were fishing.

297. Do you think it is possible to have a thorough drainage scheme, and still to retain the navigation works in the river?—I believe not. There would still be navigation at certain times, but not in dry weather, because even at present in very dry weather there is not navigation. The only large vessel that I know that goes down is Colonel Bruce's steam yacht, and she draws only five feet, and she scrapes along the bottom sometimes too.

298. If I recollect right, you were present at a meeting of the Ballymoney Board of Guardians when a resolution was passed approving of the drainage, but condemning the mode of carrying it out?—Yes.

299. Do you remember what the resolution was?—That they would do away with the navigation, and make it all drainage, because they could not combine navigation and drainage.

Mr. Cox.

300. Do you speak of any particular part of the union in giving your evidence; do you speak of the Ballymoney Union?—No, I speak of the whole river. I know the whole river perfectly.

Mr. O'Neill.

301. Perhaps you can answer the question which Mr. Philipps asked about the number of the farmers in the specially benefited districts; do you know the farmers on both sides of the Bann?—Yes, I do.

302. Are they well to do upon the whole?—Yes, they are; it is certainly not the poorest part of Ireland by any means. On the Derry side they are mostly tenants under the companies: under the Mercers, the Ironmongers, and the Salters.

303. Is there much difference between their condition in the specially benefited land, and the tenants in the catchment area outside the specially benefited land?—There is a great deal of difference.

304. How?—Upon the 13th of last August I saw along the river the men in the middle trying to save their hay, a great deal going down the Bann which they did not save at all. It was rather a benefit for my side, because some of the hay came over to me. I generally set the meadows along the river.

305. You said just now that some people wished for the navigation to be kept up, who were you alluding to?—The Coleraine Commissioners.

306. Not the people generally along the banks?—No, they are left water enough for small boats.

Mr. T. W. Russell.

307. Do you remember the Bann before the navigation works commenced?—I do.

308. Did any difficulty exist then?—Yes.

309. Before any of the works came?—Yes.

310. The drainage difficulty was there before the works came?—Yes.

311. Do you say that the drainage difficulty would be removed if the works were swept away?—I think so.

312. How do you think it would be removed since it was there before the drainage works came?—The reason is that the water now comes down all at once; formerly it came down, and we acted as a reservoir, and the works they put there acted as a sort of top dressing to it; it did not come down with a rush; it comes down with a rush, and stays a week or a fortnight, and perhaps more.

313. Are you in favour of doing away with the navigation?—It could be done in either way.

314. You heard Mr. Gamble say that he does not propose to do away with the navigation works?—Yes.

315. And he does not propose to do away with the navigation?—If you leave the weirs and locks you can always have navigation, but if you take them away you will have a great fall, and you must do something with the weirs. I hear you propose to sluice. I was present with Mr. Gamble when he proposed to sluice the cuts, and also to open the locks. If that were done now it would to all intents and purposes do what we want.

316. With regard to the farmers in the specially benefited area, what is the size of their farms upon the average. You know when you talk

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Mr. GAGE.

[Continued.]

Mr. T. W. Russell—continued.

talk of a farmer in England he is generally a man with several hundred acres; what is the size of the farms in the specially benefited area; would they exceed 20 acres a farm?—Somewhere about that.

317. You would call that a large farm in Ireland?—Yes.

318. You would hardly think it a large farm in the eyes of an Englishman?—No, certainly not. There are some rather under that.

319. They are generally 20-acre holdings?—You may say 25.

320. Consequently many of the acres all along there are under flood?—Yes.

321. The Committee can form their opinion as to the kind of men they are. Is it your opinion that the real objection to this Bill is in the catchment area?—Yes.

322. And those in the specially benefited area are in favour of it?—Yes.

323. Is it not the penny in the £. in the catchment area which constitutes the real difficulty of this position?—I am not connected with the catchment area, but I rather suspect it is so.

324. And their objection to taxation?—Yes.

325. It is that which really governs this opposition?—Yes.

326. And there are clever fellows there who will find a hundred holes in any scheme that could be proposed?—Yes, exactly.

Chairman.

327. There is no doubt in your mind that there does exist a pressing necessity at present for the improved drainage of these lands?—Yes, and we have paid to have them drained, and we have also paid for the navigation, and we therefore think we ought to get some relief. That is the general opinion of the men all along the river.

Mr. T. W. Russell.

328. Do you not think seeing that the catchment area contributes the water flooding the lower land, it is only fair that those living in the catchment area should help to clear it away?—I do not take the part of the people in the catchment area; they are perfectly well able to pay for it, and I should make them do so.

Mr. Philipps.

329. Do you know the 29,000 acres specially benefited?—Yes, that is a great deal above the lock navigation, the lower part which would be principally benefited would be from Toome Weir down.

330. Could you tell me what the average rental per acre would be over that 29 acres specially benefited?—Before the Land Law Act came into force it would be about 1 l. an acre, and now it is about 16 s. an acre, 16 s. to 18 s.

331. In that part would the rent be pretty regularly paid?—Yes, there are not many evictions there.

332. Are you enough of a land agent to give an estimate supposing that the drainage scheme was a success in carrying off the water from the low-lying land, what additional value would be given to the land?—The land is pretty good in some parts; along the low part the Bann comes 0.129.

Mr. Philipps—continued.

up more now; when the Bann comes up they very often lose a crop, and that is what there is so much annoyance about.

333. Supposing that this land is worth about 16 s. or 18 s. an acre, which people pay now, what do you suppose people would pay for the same land if it was not liable to be flooded?—I should say from 25 s. to 30 s. at the least.

334. It would rise from 16 s. or 18 s. to 25 s. or 30 s.?—Yes.

Mr. T. W. Russell.

335. Do you mean to tell the Committee that the reductions made by the Land Court in the county of Derry, along the banks of the Bann have only been 10 per cent.?—They have been more.

336. You said they had been reduced from 1 l. an acre to 18 s.?—That is not poor land; I am talking principally of good land, the alluvial land. There is a lot of hog land that is not so valuable.

337. The actual reduction has not been over 10 per cent.?—A great deal more.

338. What has it been?—Twenty to 25 per cent.

339. The rent was 1 l. an acre before that?—Somewhere about 1 l. an acre.

Mr. Pinkerton.

340. I suppose the majority of the people have fair rents fixed along there?—Yes, and many do not go into court at all.

341. If the land was improved who would derive benefit?—The tenants would.

342. A tenant who has a 15 years' term would have to contribute?—Yes, he would have to contribute.

343. If the tenant is contributory he would get credit for the improvement?—That I cannot say.

Mr. T. W. Russell.

344. The landlord cannot benefit by the drainage at all. The tenant must get whatever advantage arises?—Yes.

Mr. Pinkerton.

345. Is it fair that a tenant occupying the cold clay land within the catchment area should be taxed in order to benefit the rich alluvial land along the Bann?—I do not say they would be taxed for it, a special part of the Bill provides for that.

346. And the land in the catchment area pays rent?—They pay merely for the land, what they send down there tends to flood the alluvial soils.

347. The lands along the Bann have been valued as flooded land?—Yes.

348. A lower rent has been fixed by the Land Commission on account of their being flooded?—Yes.

349. Do you think it fair that a man occupying the cold barren land within the catchment area should be taxed in order that these rich alluvial lands should be permanently benefited?—No, I do not, and the Bill does not provide for it.

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350. A man

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Mr. GAGE.

[Continued.]

Mr. Cox.

350. A man living up on the mountains will have to pay?—Not for the actual improved lands.

Mr. Pinkerton.

351. Would you be in favour of the Bill being so amended as that the contributing lands should make up whatever is necessary beyond the free grant to effect this much desired improvement?—The free grant would do all that is required.

352. You prefer that no taxation should be levied off these people?—Yes; we are very well taxed already. We have paid for the drainage, and we should now have some relief.

Mr. Morrison.

353. Are you aware of the amount which these flooded lands will have to pay under the Bill?—It has not been settled yet.

354. It is 8,000 *l.* a year. Do you know what the area of the flooded land is; it is 39,000 acres, is it not?—That includes the upper and lower part.

355. Have you calculated how much per acre it would be?—There has been a great deal of money paid for it already. The first drainage works they had dealt with the water above instead of below, and then when the money ran short they did not finish the lower part; if you clear out from the lower part the mud and drain it, it will to all intents and purposes relieve the land, and 20,000 *l.* would do the most of it.

Chairman.

356. I gather from your evidence, that the way the case stands is this: that there is great necessity for the improved drainage, in order to prevent the lands lying along the Bann being flooded?—Yes.

357. It is plain that those lands would not

Chairman—continued.

support the whole expense of the improved drainage?—No.

358. Therefore payment must come from some other quarter?—Yes.

359. You said you preferred that the whole payment should come from the Government?—The Government propose to give 20,000 *l.*

360. And you think that that, at all events, should be spent first?—It would clear from Toome Bridge down to the Cutts, which would make a considerable difference in having down floods.

361. Assuming that the Government are not prepared to meet the whole expense of the drainage improvement, whatever it is, you hold that the uplands who send down the water to the people below, though not themselves directly benefited are fairly chargeable with some part of the expense?—Yes.

Mr. Cox.

362. Look at the map; you see that part to the left of the river, according to your knowledge, is not that very mountainous, cold country?—It is, very much so.

363. Is it fair that the people living on these mountains should pay?—The drainage mostly goes into Moyola, and it runs into Lough Neagh, and that would not be interfered with at all.

364. But they pay for it all the same?—That is the old catchment area; there will be a new catchment area.

Mr. Littler.

365. Were you aware that the special drainage districts will pay, in addition to paying their share of what the catchment area pays?—Yes.

366. You knew that?—Yes.

[The Witness withdrew.]

Mr. WILLIAM ECCLES, sworn; and Examined.

Mr. T. W. Russell.

367. You reside at Coleraine?—Yes.

368. And you are clerk to the Coleraine Town Commissioners?—Yes; I am clerk to the Coleraine Town Commissioners and secretary to the Harbour Commissioners.

369. Have both those bodies considered this Bill?—They have.

370. With what result?—They have petitioned against the Bill being passed. The petition was forwarded to Members on Tuesday; I have a copy of the petition, but it has not been presented yet.

371. Am I right in saying that the petitioners object to the Bill on two grounds; first because of the taxation of the catchment area; and secondly, because it proposes to abolish the navigation?—They were shortly the chief grounds.

372. Are those the grounds upon which the petition was framed?—Chiefly.

373. Were there any others?—They refer also to the constitution of the board.

374. Your board is in favour of maintaining the navigation works?—Yes.

Mr. T. W. Russell—continued.

375. Are you aware that the annual receipts from the navigation works average 70 *l.* a year?—So I understand.

376. What has been the cost?—The nominal cost has been 1,100 *l.*

377. What do you mean by nominal cost?—One of the navigation trustees, Captain Given, gave evidence in 1882, before Lord Monck's Commission, and that evidence, I think, has been in no way contradicted since that, nominally, the navigation trustees were only required to do large drainage works.

378. Your contention is this, that the 1,100 *l.* spent every year has not been all spent upon the maintenance of the navigation?—Yes; it has been spent almost entirely on drainage.

379. Do you know what the annual expenses of the lock-keepers are?—I do not, but I should think very small; they discharge other duties, such as water bailiffs to the conservators for the fisheries, and their salary as lock-keepers is a very moderate sum.

380. That sum of 1,100 *l.* then is improperly charged against the navigation works?—From the

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Mr. ECCLES.

[Continued.]

Mr. T. W. Russell—continued.

the accident of the trustees being called navigation trustees to distinguish them from the drainage trustees upon other parts of the river, that money has come in the general eyes of the public, to be looked at as navigation outlay, whereas it is really not so; that is to say, so far as I am aware, no works for drainage have been executed on that part of the river between Lough Neagh and the locks at Coleraine by the drainage trustees proper, except one small work.

381. The honourable Member for Lanarkshire referred to sweeping away the navigation works, and saving 1,030 *l.* to the locality a year; supposing they were swept away, would that be saved?—I should think, perhaps, 700 *l.* would be saved.

382. That is the maintenance of the navigation works and weirs?—Yes.

383. The lock-keepers, and the cost of them?—Yes, deducting 70 *l.* with regard to the actual expenses for the navigation proper.

384. You heard Mr. Gamble's evidence regarding the navigation; do you concur with it?—I do, generally.

385. Is the Board anxious that the navigation should be kept up?—Yes.

386. With what view, when it is palpably a sham upon the face of it?—We should not wish the navigation kept up if it was detrimental to the drainage, but whatever part the engineers say is requisite for the drainage channel, that channel we should be prepared to take as the navigation channel. The engineer has given you his opinion that the mere sweeping away of the locks and weirs would be no remedy to the drainage, consequently there is a channel of some kind to be maintained in the drainage interest of the river, and that channel we should prefer to take as the navigation channel; and while we have the navigation carried on, we should not object to being included in the catchment area.

387. Do both the boards which you represent to-day, look forward to the improvement of the navigation?—Yes.

388. Have not you deepened the channel from Coleraine to the sea, right down?—From the Cutts to the sea there has been no drainage of any navigation kind executed by Government; that distance northward, from the Cutts to the sea, seven miles, has come under the jurisdiction of the Coleraine Harbour Commissioners, and any sums that they have expended have been wholly supplied by themselves, or by grants made from the Irish Society; they have sunk 92,000 *l.* in support of the river, in erecting a wall at the river entrance for keeping open the navigation works, and for that the people of Coleraine and the district pay a large navigation loan.

389. Am I right in saying that whilst you concur that the navigation is nil at present, you object to the destruction of the navigation works in view of future contingencies that may arise?—Yes, we have had great difficulties in looking after what more immediately concerns us; we have secured the depth of the river entrance, increasing it from three feet at low water spring-tides to 10 feet, and on that there is a rise of tide of six feet, and we hope in the

Mr. T. W. Russell—continued.

course of time the attention of the Commissioners may be given towards the development of some kind of internal trade from Lough Neagh.

390. I believe there are steamers running between Glasgow and Coleraine?—Yes; a cross-channel steam trade; one of the boats of Laird and Company regularly runs.

391. Is Coleraine steadily improving?—Yes, our receipts have increased since the navigation works began from an average of 250 *l.* per annum to 1,300 *l.* average for the last three years.

392. Now as to the other allegation in your petition, the taxation of the catchment area, upon what principle do you object to it in assuming the drainage to be a good thing in itself; you assume that?—Certainly.

393. You think it necessary to drain that district?—Undoubtedly.

394. Upon what principle do you object to the catchment area bearing its fair share of the expense?—I should say that I have been asked by the Coleraine Board of Guardians to press that point upon you for them; a petition has been prepared, and the chief point deals entirely with regard to the catchment area, and I think the view we hold is that the land specially benefited should pay the tax, and that the portion of the catchment area outside the benefited lands should not be called upon to pay anything.

395. Not to pay anything?—No, not for the present outlay.

396. Do you know of any drainage scheme that has ever been carried out in this country where the catchment area is not made contributory?—The petition of the guardians was pressed very strongly at a large representative meeting that we had in Coleraine on Tuesday at which I was deputed to attend, that in the fixing of judicial rents from 1881—

397. That is hardly an answer to my question; do you know any drainage scheme that has been carried out in this country in recent years where the catchment area has not been made to contribute?—The catchment area should contribute unless there were special reasons to exempt the tenants of this land.

398. You think that the catchment area ought to be made to contribute unless there are special reasons against it?—Yes.

399. Will you state the special reasons here?—The tenant has already perfect compensation by having land flooded, and having the nature of the land taken into account in fixing his rent, and under these circumstances he alone would derive the sole benefit by the improved condition of the land, and he would be calling upon his neighbour to pay four-fifths of the money; and having three-fourths of the representation upon the board he would have the absolute control in his own hands, both with regard to the new works to be executed, and the subsidiary works, for the maintenance of the river.

400. Do you think that he would be the sole person benefited by this scheme?—Under what conditions?

401. Bear in mind that the other Bills are not before you, still there are large drainage proposals before the county; do you think that in

view

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Mr. ECCLES.

[Continued.]

Mr. T. W. Russell—continued.

view of a general drainage policy like that the farmer in the benefited area would be the sole person benefited by the scheme?—As it is he has had great additional good from the moneys which the catchment area would be liable for, but which the navigation area now is liable for; it is proposed to increase it by a percentage of 4½ upon the proposed outlay for the special benefit of this land; it is that to which I specially direct my objection; not against the liability for any former condition of thing.

402. I apprehend you think that the Land Commissioners in fixing the rents upon this flooded land have taken into account the character of the land, and that any improvement that is done upon the land the tenant ought to do himself?—If the present flooded condition of the land has been taken into account in fixing the rent, seeing that there is a large maintenance outlay now chargeable upon the navigation which we believe, roughly speaking, will correspond with the newly defined catchment area. I think that area bears sufficient at present by its past obligations without incurring any additional charge.

403. Have you seen how many of these tenants in this specially-benefited district have had judicial rent fixed for them?—I have not.

404. You cannot say that it has been taken into account at all?—The representative from the board of guardians stated so publicly, at a large influential meeting on Tuesday last, and there was no one there to contravene the statement.

405. Have you any knowledge of the matter?—Personally, upon that point, I hold the opinion which you put before me in different terms.

406. You know the district exceedingly well, I am sure; what is the character of the tenantry in the specially-benefited area as to their position, are they what you would call prosperous little farmers?—They are a fair average.

407. Are they quite equal to your North Derry farmers round about Coleraine?—In the specially-benefited district round about Coleraine they are pretty good, but not in the other districts.

408. What is the size of the farms?—They would average the same size in county Antrim; generally 30 or 35 acres.

409. Mr. Gage said they were 20-acre farms?—I speak under correction in giving my opinion; I should say 30 to 35 acres.

410. What is the character of the land on the banks of the river, is that land principally land composed of bog?—It varies considerably; on a portion of the Bann the land adjoining the river, between Coleraine and Lough Neagh, is pretty fair, and other portions are inferior.

411. You would not consider that the tenants were very fair representatives of the well-to-do farmers of Ulster?—I include the portion inland as well as that immediately adjoining the river.

412. I speak of the land adjoining the river as the specially-benefited area; my question has special reference to that; would you consider the occupiers of that land upon the banks of the river a fair sample of the well-to-do tenantry of Ulster?—In the immediate vicinity of the river I should not take them as a fair average.

Mr. T. W. Russell—continued.

413. The Committee may take it that you concur generally with Mr. Gamble in the question of the navigation?—Yes.

414. You are satisfied with his evidence upon that point?—Generally so.

415. And your objection narrows itself down to this, that if the lands are to be benefited the tenants should pay, and the catchment area ought not to be called upon to contribute anything?—And that the navigation should be kept intact whatever the navigation pay for; they shall keep the gates upon the locks for the purpose of letting vessels with a depth of five feet or five feet six, have that channel available, and not abandon the navigation as proposed.

416. Now as the catchment area, am I right in concluding that that is the real fundamental objection?—Yes; the catchment area, and the abandonment of the navigation.

417. The catchment area is the fundamental objection; what more?—The abandonment of the navigation.

418. You expressed yourself satisfied with what Mr. Gamble proposed?—He did not propose to keep the gates upon the locks, and keep up the channel; what he referred to was the open navigable channel.

419. He does not propose to touch the locks at all or the gates?—He promised to do away with the lock-keepers and remove the gates.

4120. No?—The preamble speaks of the abandonment of the navigation.

Chairman (to Mr. Gamble).] Will you repeat what you said about it?

Mr. Gamble.] The locks will be open as they are now, and will not be touched at all.

Witness.] Will the gates still remain?

Mr. Gamble.] Lock-keepers can be put there if there is any navigation to look after.

Mr. T. W. Russell.] You, Mr. Gamble, said that those looking after the drainage who acted as lock-keepers would stay, and the channel would be five feet, which is equal to the channel in the new Ulster canal.

Mr. Gamble.] Or any of the canals abutting upon Lough Neagh.

Witness.] You propose keeping it open for navigation purposes?

Mr. Gamble.] I propose keeping that depth of water, so that if as navigation is desirable they can place lock-keepers there to look after it.

Witness.] You did not propose putting lock-keepers, and you do not provide for it now.

Mr. T. W. Russell.] What Mr. Gamble said was that those interested in the drainage, and engaged in the drainage could attend to the lock-keeping, and to the navigation if there is any navigation to attend to.

Witness.]

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Mr. ECCLES.

[Continued.]

Witness.] If it is not provided for in the Bill, the drainage interest may not be provided for in any way.

Mr. T. W. Russell.] But not to abandon the navigation works. What I understood Mr. Gamble to say was that they kept the navigation works intact with a channel of five feet for whatever contingency might arise; he did not know anything about what was proposed with regard to the lock-keepers; he believed that those who were on the spot in charge of the drainage.

Mr. Gamble.] I said that those in charge of the drainage would maintain the locks when there is no navigation going on, but if navigation is going on you must have men to look after the boats going through.

Mr. T. W. Russell.

421. (To the *Witness*.) Practically Mr. Gamble's proposal meets your view?—If the clause is struck out with regard to the abandonment of the navigation and provision put in that there shall be open navigation of such a depth as can be given consistently with the interests of the drainage.

422. Apart from the catchment area objection, which is your fundamental objection, what are the other objections?—A portion of the river overflows seven miles north of the Cutts, and there has been no navigation money expended at any time by the Government in any case that should be exempt from taxation if the Bill was carried in its present form, though it is within the catchment area.

423. Why?—It has never derived any benefit from the drainage, and no public moneys have been spent upon it. The Coleraine Harbour Commissioners have control from that point northward.

Mr. Cox.

424. Is this north of the town of Coleraine?—Yes, and extends two miles south of it.

Chairman.

425. You heard it stated that the arch of the bridge above Coleraine would not in any case admit of the navigation being conducted through it, is that so?—Sir William Conyngham has made a mistake in referring to there being only two feet available at high water. I myself have frequently passed underneath the archway at high water in the river. I think there is six feet at high water, and 12 feet or upwards at low water. Steamers were for a number of years carrying coal in the north reaches of the river passing underneath and with a movable funnel they could pass under, a vessel of average dimensions, certainly a vessel of five feet or five feet six draught would have no difficulty, in my opinion, in passing.

Mr. Cox.

426. At low water?—Yes, or approaching low water.

Mr. Phillips.

427. As to this specially benefited district something was said about floods having been considered in fixing the rents; at the time the rents were fixed no doubt the liability of

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Mr. Phillips—continued.

the land to floods was considered?—The deputation appointed by the guardians to wait upon the Town and Harbour Commissioners and take joint action, strongly brought that fact before the meeting.

428. Even if the rents had not been fixed by the Land Commission the tenants could have have applied to have had their rents reduced if they liked?—Certainly.

429. There is nothing to prevent it?—No.

430. That means that they are contented with the rents as they are?—Yes, they have power to value them, but rents would be reduced more in a cordance with the liability of the land to flooding.

431. In talking of the 1,100 *l.* now spent in maintaining the navigation, you said you thought, supposing the navigation works to be maintained, that there would be only 200 *l.* a year of it saved, have you any figures to show us about that; is there any statement of the expenses incurred by the present Navigation Commissioners?—Captain Giveen in his evidence in 1882 stated that considering the very small expense of the maintenance of the navigation as at present, it would be a very unwise thing to do away with these works; then he says there is a larger portion of expense incurred by the navigation trustees for the purposes of drainage, and in the subsequent plans he fixes the sum at 50 *l.*, but that is an unduly low estimate.

432. Are not details published by the Navigation Commissioners?—No, the whole expenditure goes as navigation expenditure; they do not make a difference between the up keep of the channel and the payment of the lock-keepers.

433. Do not they publish any statement of accounts as to how the 1,100 *l.* goes; is it kept secret?—There is no way of doing it except by a private examination of the books.

434. When you make this statement, that only 200 *l.* will be saved by the abolition of the navigation works, you make the statement without looking at the books?—I base it upon the fact that the navigation locks have been so strongly constructed that their maintenance costs little; the gates may cost a little, and there is the payment of the lock-keepers; the only other expense is the maintenance of the small cuts from the lock to the channel.

435. You might have been able to have told us with absolute accuracy by looking at the books of the navigation trustees?—I have asked the secretary, Mr. Cruikshank, and he told me, I think, something over 200 *l.* a year, of that, I am not positively certain.

436. You do not know, of your own knowledge, one way or the other?—No; except from the evidence given by Captain Giveen, he estimates the sum at 50 *l.*

Mr. Pinkerton.

437. Do you think it would be a benefit to do away with this drainage board entirely, the two existing boards?—I do not see any objection to having the trustees and the drainage board in one interest.

438. Which part of the river does the navigation board drain; the navigation trustees?—

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Mr. ECCLES.

[Continued.]

Mr. Pinkerton—continued.

They have the river from Lough Neagh to the Cutts at Coleraine.

439. When were the works carried out; I have never seen any of these works?—We began after the famine year.

440. During recent years?—The navigation works had been completed long before I recollect.

441. How many years have the navigation works been completed?—I should say about 35 years but I am not absolutely certain.

442. Have you expended any money upon the river during the last five years in the way of maintenance of the navigation works or drainage?—Do you speak of the Harbour Commissioners?

443. No?—I do not speak of the Navigation Trustees.

444. Have the Harbour Commissioners?—The Harbour Commissioners have spent their monies recently.

445. That is from Coleraine to the sea?—Yes.

446. Have they expended any money above the bridge?—No, they have not.

447. Have you any idea what was the annual tonnage going up the river every year?—Before the navigation works were begun the revenue was about 250 £; I could not give the tonnage.

448. I refer to above the bridge; have you any navigation above the bridge at the present moment at all; from Coleraine Bridge?—Very slight; it is more steam launches and pleasure boats.

449. What do the dues from the navigation annually amount to?—The total revenue is spoken of as 70 £.

450. I think Mr. Russell asked you for an explanation why the catchment area should be non-contributory; do you think that a great part of the catchment area in the immediate neighbourhood of Coleraine affects the flooding of the river very much above the Cutts; below the Cutts is not in the catchment area?—Yes, the catchment area of all the lands between the Cutts and Lough Neagh affect the flooding to some extent.

451. To any great extent?—I cannot speak of my own knowledge.

452. You have no idea whether the tenants have had fair rents fixed along the river; you said you had no idea of the number of tenants?—No, I could not say.

453. You have been up the river several times?—Yes.

454. Do you think that it should be classed as agricultural land at all immediately abutting upon the river?—There are parts not much liable to the flooding, but the average is liable to flooding.

455. It should be kept for grazing land?—Yes, the immediately adjoining land.

456. If people, through the love of making money, extend their agricultural area so far as to be inside the catchment area, is it right to compensate them for that mistake?—Certainly not.

457. Taking the banks of the river, and taking this land that is entirely grazing land, if the occupiers break it up, you think they should do it at their own risk?—Certainly.

Mr. Pinkerton—continued.

458. Would flooding injure the quality of the grazing land along the River Bann, if kept in grass?—Not materially, I should think; but I speak upon that point with great hesitation.

459. During your experience I suppose they have extended the borders of cultivation closer to the river than formerly?—Yes, the land is better cultivated than it was.

460. And consequently the flooding has injured the people more on that account?—Yes; there is more injury from flooding of land in that district now than there was 10 or 15 years ago.

461. Would the Coleraine Harbour Commissioners be in favour of the total removal of the lock gates?—They deprecate it in the strongest possible fashion.

462. Why would they object to the removal of the lock gates?—Because then the navigation would be made into an open navigation, only available for future purposes. They would oppose the Bill if that was the case, and give it all the opposition they could.

463. I suppose the only objection the Coleraine Harbour Commissioners have to this is the unjust taxation and the destruction of the navigation works?—Yes; those mainly.

464. With reference to the pressing of the navigation works on, have the occupiers of the land in the district any power to object?—I believe at the time that the navigation works were pressed on mostly, they were for the public interest, but since that time the improved system of drainage has brought such a vast increase of water with it to discharge into the river, that the design of Mr. M'Mahon has been found incompetent to lessen the difficulties, and under these circumstances it is necessary in the public interest that there should be a little greater expenditure of public moneys from whatever quarter they may be raised, for the purpose of equalising the flooding which Mr. Gamble has referred to, so that it should be so localised in such parts where there would be the least injury done. I do not think the capacity of the discharge will be much increased.

465. In your opinion, the navigation works do not act as an obstruction to the floods?—I believe not, not in any degree. I think that if the two weirs were reduced in height, the present depth of the navigation would be maintained, but not when it is reduced two feet to correspond with the gain in the upper part of the river.

466. You made an important statement that three-fourths of the representatives would come from the benefited district?—Yes.

467. And, consequently, the benefited district would have a controlling power upon the new board?—Yes, and only contribute between one-fifth and one-sixth of the moneys.

468. The present board would be the drainage board to do the work of the Ecclesiastical Commissioners, supposing a cut and dried scheme and the foolish idea of the Ecclesiastical Commissioners was brought forward that the Commissioners of the new board should have the option of rejecting but no power of modifying, would not you rather that the initiative should be left with the new board, and not with the Royal Commissioners?—As I understand the Conservancy

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[*Continued.*]*Mr. Pinkerton*—continued.

Conservancy Board have the decision in their hands to whether the works shall be proceeded with.

Mr. Cox.

469. Would this proposed drainage affect the navigation from Coleraine to the sea on which your Board has expended large sums of money?—It would not affect us at all. We should

Mr. Cox—continued.

object to pay anything if the navigation is done away with.

470. The navigation upon the Lower Bann?—Yes, we have never derived any benefit from the drainage works on the Lower Bann, and we strongly object to pay the money.

[The Witness withdrew.]

Friday, 19th July 1889.

MEMBERS PRESENT :

Mr. Coddington.
Mr. Cox.
Mr. Morrison.
Mr. O'Neill.

Mr. Philipps.
Mr. Pinkerton.
Mr. Plunket.
Mr. T. W. Russell.

THE RIGHT HONOURABLE DAVID PLUNKET, IN THE CHAIR.

Mr. WILLIAM ELLIS, sworn ; and Examined.

Mr. *Pinkerton*.

471. You are a Coleraine Merchant, are you not?—I am.

472. You are Secretary to the Baun Drainage Association?—Yes, I am one of the Secretaries.

473. And also a Poor Law Guardian?—I am a Poor Law Guardian, and also a Commissioner for the town of Coleraine.

474. What is your opinion with regard to the navigation of the River Bann?—There has been no navigation there for the last quarter of a century. It has been tried on two or three occasions, and on all those occasions it has utterly failed. There was a Royal Commission held on it, and that Commission obtained the best information that they could get, and they duly considered the question, but there were objections raised in the town of Coleraine to the decision of the Commission. The Commission arrived at the decision which was published in a Blue Book subsequently.

Mr. *T. W. Russell*.

475. Was that Lord Monck's Commission?—Yes, that was Lord Monck's Commission. I was examined before that Commission, and I was also examined before another Commission in the town of Coleraine, and there was thereby afforded to the people of Coleraine and the locality an opportunity to tender their objections to the decision of that Commission. The Coleraine parties, who are now raising objections to this scheme, tendered no material evidence on that occasion to the Commission. The second Report of the Commission was also published.

Mr. *Pinkerton*.

476. What was the reason of the opposition of the town commissioners, was it against doing away with the navigation?—Yes, but I could never get them to tender their reasons. They appeared before the grand jury of the county of Londonderry some years ago, when I was also present, and the parties who are now opposing this scheme alleged that there was a sum of about 90,000 £., which had been spent on the tidal portion of the river. The grand jury said, Will you consent to remove those navigation works on the lower Bann, that is from the Cutts to the Toome, pending the results of the lower navigation on

Mr. *Pinkerton* -- continued.

the tidal portion of the river. Those works have been completed so far as the exhaustion of all the money that they could obtain. They have exhausted all the funds that they could get, and now the work is calculated to do all the cross-channel traffic for five years from Coleraine Bridge to Glasgow.

477. Was the navigation successful with regard to the Coleraine cross-channel traffic?—No.

478. Do you look forward to any successful navigation being carried on from Coleraine to Toome Bridge up the river?—It is impossible.

479. Why do you say it is impossible?—Because in the nature of things it is absolutely impossible that any navigation could ever exist. I have expressed that opinion seven or eight years ago, and I have waited for five years, and I want to know what is the result? Has there been any navigation? The town clerk, Mr. Eccles, was examined before that enquiry. He did not say that there was any navigation, and I tell you, gentlemen, that not one ton of goods has gone up through Coleraine Bridge, or through those locks for the last five years, notwithstanding the lower navigation has been the greatest success that could be made.

480. Supposing that you had boats built on a proper principle, would it not be possible to navigate that part of the river with boats of light draught from Coleraine?—If you mean from Cutts to Toome, that is impossible; it could not now exist, so far as my knowledge of the tide is concerned. Within the last 10 years I have driven, personally, more coals into the tail of the country than all the other Coleraine people put together.

481. I had not the pleasure of being here yesterday, but you heard the engineer examined yesterday; do you think it is possible to have navigation and drainage together?—I do not.

482. Do you consider it necessary that the navigation works should be removed?—I do most undoubtedly; and I allege that you could never extend the navigation and the drainage together, and that is exactly where the Government made a mistake 30 years ago. Also, I have alleged before the Lord Lieutenant, and the Government before that, that the Government itself,
having

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Mr. ELLIS.

[Continued.]

Mr. Pinkerton—continued.

having made the mistake of endeavouring to have the navigation and drainage together, which is an impossibility, the Government, at their own expense, should remove the navigation and tax the country nothing for it, because they made the mistake, and we have paid for it.

483. What was the expense incurred by the Coleraine Commissioners and Harbour Board, after the Act of 1863 was passed?—I was a promoter of that Bill myself in 1863, and under that Bill we obtained power over the tidal portion of the river to improve it; that is, from the Cutts to the sea.

484. How much money was expended?—About 25,000*l.* was expended then, under the guidance of Sir John Coode, the engineer, and he alleged that if they removed the obstructions in the rail of the river they would gain by it; but, after the committee had spent about 30,000*l.*, there was no improvement took place. Between 4,000*l.* and 5,000*l.* was given by the Honourable Irish Society in London for the improvement of those works. No improvement took place in the navigation; but in that Bill we took power to put a swivel in Coleraine Stone Bridge, in order that it might divide the current. I was trying at that time to drive coals into the interior of the country, to Mr. Barclay's Bleach-green, who had very extensive bleach works, which consumed about 5,000 tons a year. Those works are now stopped.

485. Are you in favour of the present drainage scheme?—May I ask whether you mean of the whole of this Bill?

486. Yes?—Yes, I think I am in favour of this Bill in its entirety. There has been no real objection made to it by the Coleraine Board of Guardians or the Commissioners' Board, excepting in minor details, that is to say, with regard to the taxation over the taxable area, and the non-representation of the taxable area.

487. Were resolutions passed by the Coleraine Board of Guardians condemning this Bill?—That is two years ago.

488. I hold a petition in my hand which was presented to the House from the Coleraine Board of Guardians?—They moved no resolution; they merely adopted a petition which had been sent forward 12 or 18 months ago; we had no special meeting on that day.

Mr. T. W. Russell.

489. You are a guardian, I think you say?—I am; I represent a division of Coleraine; but the board of guardians were by no means unanimous in forwarding that petition to the Committee.

490. Are you in favour of 37,000*l.* being levied as a charge upon the catchment area outside the benefited land?—That is more a matter of the detail of the Bill than of the general principle of the Bill, but I ought to respectfully submit to your honours that the evil does still exist in flooding the land along the banks of the Lough Neagh and the Upper Bann. It is the only outlet for the largest catchment area in the kingdom. I think I may say that Lough Neagh is the largest fresh water lake in
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Mr. T. W. Russell—continued.

Europe save one. There is no other outlet for Lough Neagh and the upper part of the river Bann than through Coleraine, and I therefore submit that it should be improved. There are 45 or 46 chairmen of different boards, and Mr. James Lyle said he was a party to the promotion of the Bill, and the powers that the Government sought in 1845 and 1846 included navigation as well as drainage, but the country who were to pay the taxes only wanted them to have powers for drainage alone. The Government then added navigation to it. If you keep up the surface of the water of the Bann to the level of the banks for floating power you stop the outlets of the drainage of the country. You have no reservoir accommodation for storing those periodical and perpetual floods. The discharging power of the locks is insufficient for the escape of the water, and there is nothing left but for the country to be flooded. I have studied this point, and I have come to what I consider a very sound and stable conclusion.

491. What is the conclusion at which you have arrived?—I say improve the lock gates; give us additional discharging power in the locks. You thereby lower the waters of the Bann. The water that now falls on the catchment area has such facilities owing to the arterial drainage of the country being very much improved, that the water that falls upon the large catchment area can come into the lake in half the time and with double the rapidity that it had done 30 years ago. The engineers that planned the openings to the Toome weirs no doubt made the discharging power sufficient for the then existing circumstances, but the circumstances have now altered, and the large catchment area can raise the water of the lake, after 24 hours' rain, two feet. The discharging power of the openings in Toome Weir is altogether greater than it was before, so that they can discharge more water than the engineer calculated upon; but the pressure upon the lock is at least double what it used to be, so that sometimes the country for 32 miles is inundated. I submit that we must have more discharging power, or else the water must be stopped in some way from getting into the lake. I consider that the only objection I have heard at the Commissioners board and at the guardians' board is, with regard to the taxation of the county in the catchment area. But I meet that in this way, that it has been proved beyond the shadow of a doubt before a commission of three practical men, who knew the figures, that the cost of maintaining the navigation works is about 1,100*l.* a year. I may tell you that if you abolish those works you save the ratepayers that 1,100*l.* or 1,200*l.* a year; and if the whole of the catchment area is taxed only a penny in the *£.*, the difference is immaterial to the ratepayers.

492. Your point is this, that if the expense of maintaining the navigation works is done away with, the catchment area will be relieved from that yearly amount?—Yes.

493. And that the new tax to be levied upon the catchment area for drainage purposes will not, as a matter of fact, amount to more than was levied for the maintenance of the navigation?—That is exactly the point that I want to make,
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Mr. ELLIS.

[Continued.]

Mr. T. W. Russell—continued.

because this is a matter, I think, for the Government of the country to decide, and after giving the subject due consideration, they give us some 20,000 *l.* or 30,000 *l.* for nothing. I am the largest importer in the town of Coleraine. I have the greatest interest in having these works completed if it could be done. I am sending 1,000 tons a year just now to Mr. Adams, one of my customers, in addition to what I send in other directions.

Chairman.

494. You said you considered that by this Bill the Government were giving you 20,000 *l.*?—I think that they are acting liberally in giving us 20,000 *l.* for nothing, and the balance (if any) would be very immaterial on the ratepayers, because I consider that if the first 20,000 *l.* is wisely and judiciously laid out in opening the flood-gates at the locks and in increasing the discharging power of the river, it would be a very great advantage.

Mr. Pinkerton.

495. I think you said you were in favour of the whole Bill; are you in favour of the embankment scheme?—I said that I was in favour of the principle of the Bill if it was modified to meet the views which I and others entertain.

496. You understand this river, do you not?—Yes.

497. And you believe that the embankment scheme would be injurious to the district?—It would be impossible to do it with any effect. It would be simply losing the public money, and I will tell you why: there are little streams of water which we call burns, which run down between two townlands, and sometimes between two farms; I may take it that the honourable Member knows the district that I am talking about. From opposite Mr. Gage's property, from Agivey Bridge down to the Cutts at Castle Row, near Coleraine, there are a number of little rivers or streams which, in a dry summer, are absolutely dry, and if you embank the river along the side where those streams are, they would be filled with water again in wet weather; but if you run the embankment parallel with the river you prevent the possibility of the water getting out of those little burns into the river, and consequently you will inundate the country adjacent to the river; you cannot get it into the channel of the river. We, therefore, gain nothing by keeping the water of the Bann out; that is one reason. A second reason is this: I have driven through over the country roads between Coleraine and that bridge on the east side of the River Bann, of which I should say, probably one-third of a mile, or very nearly so, to Mr. Gage's gate, the horses feet were covered with water, and we saw the wash of the hedge, that is the straw and the brambles, two feet higher. I, therefore, submit that it would be utterly impossible to erect any bank sufficiently high along the river, and parallel with the river, to exclude that great volume of water coming down the Agivey River in case of flood; I know that from my own experience of low water.

Mr. T. W. Russell.

498. You have given a very fair exposition of your own views; now, as regards the removal of the locks, are you quite clear that that ought to be done?—I do not wish the masonry to be removed.

499. I am speaking of the lock gates; do you wish them to be removed?—I simply want them opened and kept open, except when it would be necessary to close them, which could be easily done.

500. Have you read the Report of the last Royal Commission?—Yes.

501. You gave evidence before it, did you not?—Yes.

502. That was the decision of the Royal Commission, practically, to open the lock-gates?—That is what I asked the Lord Lieutenant to get done.

503. You are not aware of the Report of the Royal Commission on that point?—No.

504. They decided in favour of abandoning the navigation, are you aware of that?—Yes.

505. Have you ever considered this point; supposing that your plan was carried out, and the lock gates were left open, do you think that that would facilitate the outlet of the water?—It would certainly add to the discharging power of the river.

506. Have you considered this point in connection with the discharging power, that there are eel weirs upon the river?—There are.

507. Of course if anything is done to injure the eel fishing compensation will have to be paid to the owners of those weirs?—That is within the range of possibility.

508. Have you considered the point that the eels might get through the lock gates if left open?—Not particularly.

509. Supposing that the Committee came to the conclusion that you are right, that those lock gates should be kept open, it is very likely that new eel traps would require to be erected; would not the eels get through the lock gates, and so avoid the eel traps which exist now?—May I ask what part of the river the honourable Member is referring to?

510. Any part of the river where the eel-traps are in existence?—But that is a considerable distance.

511. I am asking you now as a matter of principle; I am not asking you to specify the application of the principle; where they have eel weirs in the river there are large vested interests, and if you open the lock gates and allow the eels to get through those locks, and so avoid the eel traps that have been erected, do not you think that that would injure the fishery?—No.

512. Why not?—Because I have a relative who is the lessee of a fishery at Kilrea, and he got compensation for walls being erected, because they stopped the eels getting up to their feeding ground, that was 30 years ago; and if you take them away now they will get damages there again.

513. I think you may take it for granted that compensation will not be given quite as easily as appears to have been done in that case; but can you show the Committee any reason why eels should not go through those gates if they are left open,

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Mr. ELLIS.

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Mr. T. W. Russell—continued.

open, and so avoid the eel traps which are in existence now?—I can prove to the satisfaction of the Committee, although I do not wish to waste the time of the Committee, that the opening of the locks from Castleroe to Cutts is the very best thing that could happen for the drainage.

514. I am talking of the locks?—I will deal with them, lock after lock, if you will give me time. Here is the fact that at Cutts and Castleroe the unfortunate eels can only get up by means of straw ropes as a bridge for them since the Cutts weirs were erected. If you and I were there to-day, I could show them to you going up by thousands.

515. Now let us come to this point; you are quite clear that serious evil exists in this union of navigation and drainage?—Yes.

516. And you think it ought to be remedied?—Yes, doubtless.

517. And you are also clear that one obstacle is the taxation of the catchment area, and that it needs some plan to be devised for meeting it, although this plan may have defects?—Yes, which your honours can improve.

518. But you concur with every witness who has been examined here, that the fundamental objection to the proposed scheme is the taxation of the catchment area?—That is the view of the respective boards.

519. Do you think that if the taxation was limited in the Bill to a penny in the £., that objection would be maintained?—I do not think that it would be maintained, but there are great fears expressed by those oppositionists that the limit would not be a 1 d. in the £.

520. Do you think that if it were safe-guarded that it should not exceed a 1 d. in the £., that might alter their view?—If you put that in the Bill it would certainly alter the opposition that the Bill is getting. Those oppositionists are dealing with a catchment area which is not yet existing.

521. Do you think it is possible to do this without taxing the catchment area?—I think if 20,000 l. were laid out, the balance would be extremely slight.

522. Would that do away with the taxation of the catchment area altogether?—It might.

523. Supposing 20,000 l. would do it, that would avoid the taxation of the catchment area?—Undoubtedly it would relieve the tax-payers of about 1,200 l. a year, which they are paying now for keeping up a useless navigation.

524. Can you explain to me how you think it reasonable that a still wider catchment area than

Mr. T. W. Russell—continued.

we have on the map, namely the British taxpayer as a whole, should do this without any assistance from the catchment area immediately involved?—I think the catchment area is much too large.

525. £. 20,000 will come from the British taxpayer as a free grant?—Yes.

526. Will you tell me how you consider that he is entitled, living outside Ireland altogether, to do this work, if the catchment area itself is not entitled to do some of it?—For the reason that I explained, that the Government of the country on previous occasions had themselves made a mistake and that they should remedy it, and that we should not go any further with it.

527. Taking into account all the previous works that have been done, you must admit that there has been a very large free grant from the British taxpayer?—Undoubtedly. I think the Government of the country acted with great liberality to the North of Ireland when they gave it us at first.

528. The evil is undoubted?—Yes.

529. And you wish it remedied?—Yes, certainly.

530. You approve of the Bill as a whole, I think you say?—Yes, of the general principle of the Bill.

531. You think that the catchment area ought to be taxed?—I think it should be taxed at a moderate rate, and that it should be limited in amount in the Bill, because I do not like to give bodies of local people great powers, for they sometimes abuse them very much.

Mr. Philipps.

532. I suppose you know very well all the lands along the river?—I do very well indeed.

533. Can you tell me what is the average value per acre of good land along the river at this time?—From 18 s. to 20 s. an acre.

534. Not more than that?—No.

535. What is the rental of this flooded land?—It is about the same, because the Ironmongers' Company of London allege that it is the best of the land that is flooded. Captain Richards told me so himself, but it is periodically and perpetually flooded. In some very dry years it is not flooded, sometimes it is not flooded at all, at least not to do it any material injury. Some years the farmers can get a very beneficial crop off it, if the season is dry; but if the floods commence at Lammas, in the month of August, before the hay is off the ground, it is all lost. The Land Commission, taking one year with another, made it average about 18 s.

Mr. JOHN KELLY, sworn; and Examined.

Mr. Pinkerton.

536. Do you wish to make any statement to the Committee?—Yes, I should like to do with their permission.

537. Where do you live?—I reside in Liverpool, but I am interested in this question.

Chairman.

538. Might I ask what is your occupation?—I am an estate agent in Liverpool, but I came 0.129.

Chairman—continued.

from this neighbourhood, it is my native place, so that I am acquainted with the question.

Mr. Pinkerton.

539. Do you wish to make any statement with regard to the question before the Committee?—I wish to say that I remember very well in July of last year, I happened to be over there in the neighbourhood of Coleraine, and I saw some cocks

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Mr. KELLY.

[Continued.]

Mr. Pinkerton—continued.

cocks of hay put up on a Friday afternoon just at the beginning of the hay crop season. From Friday to Sunday morning there was a very considerable amount of rainfall, and I went out on Sunday morning along the road that runs alongside the Bann, and the cocks that I saw put up on Friday afternoon I saw submerged on Sunday, about three feet high. The same farmer has meadows all along the Bann shore, and those meadows were every one of them submerged before they were cut, and the consequence was that the sand and silt that came down in the water quite destroyed the hay. It was all covered with sand.

540. Nobody denies the flooding; we all admit the flooding; but people differ in their opinions with regard to the methods of removing it. Have you read the Government Bill?—I have.

541. Are you in favour of the methods proposed in the Bill?—I cannot say so exactly with regard to the embankment. I do not see what use the embankment is going to be, unless you provide an outlet with a middle outlet through it, so that when the water comes down the Bann you can shut the mouth of the pipe to stop the water from going back, because otherwise it would get behind the embankment.

542. The scheme is to embank the streams as well as the main river?—Yes.

543. Do you think that the catchment area should be taxed, in order that those lands should be drained?—I think so, because it is really the water from the catchment area which causes those floods. If the water from the catchment area did not get down into the Bann, the consequence would be that there would be no floods.

544. Have you studied the navigation question?—Yes.

545. Do you think it possible to drain the river, and maintain the navigation works at the same time?—I do not think so; and, besides, I do not see that the navigation is any good at all, and I do not see any chance of its ever being any good.

Mr. Cox.

546. You say you think it is fair to tax heavy mountainous land?—Yes, I think so, because my opinion is that it is the water from those hilly lands finding its way down into the river that causes the floods, and I think if you provide an outlet for the catchment area they are entitled to pay something toward it. I do not see that the people along the Bann shore ought to have to pay everything, and to provide capital for taking the water away from the catchment area.

547. Those are the people who you think should be taxed?—Yes; the water falls upon their land, and finds its way from their land down into the rivers.

548. Those may derive a large amount of benefit, but how about people 10 or 15 or 20 miles away from the drainage of the Bann?—I do not say those people particularly, because the water goes down nevertheless; but looking to the amount of water coming from those lands, I do not see that the people along the Bann shore ought to suffer on account of the water that comes

Mr. Cox—continued.

from those lands. Those people are quite independent of the Bann navigation, or anything else. You cannot stop the water from coming down, and I think those people are entitled to pay something towards finding an outlet for it.

Mr. T. W. Russell.

549. I gather that you object to the embankment portion of the scheme?—Yes; I do not think that that is going to be very profitable.

550. Are you aware that there is only one part of the river to be embanked?—Yes; unless the embankment is run along each of the tributaries coming into the Bann, the water will get behind the embankment, and flood the land all the same.

551. Are you aware that the embankment part of the scheme must be taken in connection with the other portions of the scheme, and that if a freer passage is found for the water the pressure on the embankments will be less?—If that is so, I should have to except the embankment part of it.

552. You know that it is only one part of the scheme, and that it is calculated to act with the other parts?—If the tributary streams are sufficiently stopped back from finding their way behind the embankment that would obviate my objection.

Mr. Cox.

553. Have you any idea what the lengths of those tributary rivers are?—No, I have not. That would depend entirely upon the fall of the country. In some parts you have to go very much further back than in others. On the county Derry side I presume that the embankment would have to run very much further than in county Antrim.

Mr. Philipps.

554. Do you know the district well?—Yes.

555. You said that you are an estate agent; does that mean a house agent, or a land agent, or what?—I am a house and estate agent.

556. Have you any knowledge of estates generally?—Yes, I have.

557. Can you tell me the value of the good land, the land not flooded, along the area of the Bann?—It is worth about 15 s. an acre.

558. I do do not know whether you was here yesterday?—I was not here.

559. We had it in evidence yesterday that the land along the river that will specially benefit by being drained is 25,000 acres, and is now let at 16 s. to 18 s. an acre?—Yes, I expect that is about the average rent.

560. And therefore that land which is most flooded is let for more than the land which is not flooded?—I think the land along the Bann shore is sometimes worth very little on account of those floodings; I have seen very good crops quite destroyed; and if a field of potatoes, for instance, is submerged with water, the crop is not worth gathering, and consequently the whole crop is lost, and the land is worth nothing.

561. I am asking you if you know what is the value of land in the valley of the Bann, which is never flooded?—I think it would be worth about a guinea an acre.

562. In

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Mr. KELLY.

[Continued.]

Mr. Philipps—continued.

562. In the case of land which is liable to floods, what should you put the rent down at?—I do not know that I can exactly answer that question, because it depends entirely upon the seasons. Land along the Bann, if it is fairly good land, and if it is not flooded, and the crops are not destroyed, I should think would be worth quite as much as other land.

Mr. Coddington.

563. If it were not flooded you think that good land would be worth 21 s. an acre?—I should think so.

Mr. Philipps.

564. In the case of land which is now liable to floods, what added value would be given to that land, in your opinion, if this Bill should pass?—I think it would make that land equal to any other land that was flooded.

565. Could you give a rough estimate of how much a statute acre people would be inclined to give for land if this scheme were carried out?—I do not know that I can very well answer that

Mr. Philipps—continued.

question. Supposing the floods were obviated, land which is now flooded at some periods would be equal to any other good land in the neighbourhood.

Mr. Pinkerton.

566. Would you give precisely 5 s. an acre more for it?—I should think it would be well worth 5 s. an acre more.

Mr. Philipps.

567. Have you calculated what 8,000 l. contribution to 29,000 acres of land would come to?—No, I have not.

568. I think it is 5 s. 6 d. an acre. You are not interested in any of those flooded lands, personally, are you?—No, I am not.

569. I suppose you cannot tell me what is the rateable value of the collection?—No, I cannot.

570. Do you know whether anybody is coming that can tell us that?—I do not know; it is probable that you will get it from some other witness.

Mr. ROBERT DOUGLAS, sworn; and Examined.

Mr. T. W. Russell.

571. WHERE do you live?—At Glenstoll, near Agivey Bridge.

572. You are the Chairman of the Bann Drainage Committee, are you not?—Yes; and have been for the last 10 years. I appeared before both the Royal Commissions.

573. Before Lord Monck's Commission, and before Sir James Allport's also?—Yes, both.

574. What is the object of the committee of which you are chairman?—For the purpose of having the Bann drainage land improved.

575. Have you read the Bill now before the Committee?—Carefully; I have it in my possession.

576. Has it been before your committee?—It has.

577. What finding have they arrived at?—They believe in the Bill generally; they are satisfied with the Bill generally, with some little amendments.

578. They are satisfied with what may be called the principle of the Bill?—Yes.

579. But they think it ought to be amended?—Yes, in some important matters.

580. Have you considered the question of the navigation of the Bann?—I have had experience of the navigation of the Bann.

581. Do you think it possible for navigation and drainage to go hand in hand?—I do not think that it is possible; they cannot both be in use at the same time.

582. Are you aware that you differ from all your engineers in that belief?—Of course I am not an engineer.

583. But are you aware that you differ from your engineer in that belief?—I am.

584. Did you hear Mr. Gamble examined yesterday?—I did.

585. You believe that the navigation works ought to be removed?—Yes, I do.

0.129.

Mr. T. W. Russell—continued.

586. At all events that the locks ought to be kept open?—Yes, I do certainly think so.

587. Your evidence on that point is the same as Mr. Ellis'?—Yes, just the very same.

588. Referring to the taxation point; are you satisfied with the free grant from the Government?—Yes, perfectly satisfied.

589. Are you satisfied with the taxation on the specially benefited area?—They are entitled to be taxed less or more.

590. I am speaking now of the occupiers of the benefited lands; do you think that they ought to be taxed?—Yes, I think so, less or more.

591. Have you considered the taxation of the catchment area?—Yes.

592. Do you think they are entitled to be taxed?—I do.

593. On what ground?—On the ground that the tributaries empty themselves into the Bann. Where do they come. Do not they come out of the catchment area? Consequently the catchment area people could not have their land drained at all but for these tributaries.

594. You consider that the principle of taxing the catchment area to a certain extent is a sound principle?—I do.

595. And a just principle?—Yes, certainly.

596. Would you concur in the proposal to limit that taxation to 1 d. in the £.?—That is a question for the Government. I should not like to give an opinion upon that point at all.

597. But you approve of the principle of the Bill generally?—I do, and so do the committee.

Mr. Pinkerton.

598. Supposing that the land abutting on the Bann had been kept for grazing, would flooding be injurious to it?—Yes, most decidedly injurious.

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599. You

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Mr. DOUGLAS.

[Continued.]

Mr. Pinkerton—continued.

599. You think that flooding does not benefit grazing lands?—No, I think it does not, for this reason: it may increase the growth of the grass, but if there comes a flood in the grazing season, it sands up the grass, so that the cattle will not eat it.

600. You are an occupier there interested in the land?—Yes, in the Penybrough district; the special district it is called in the Bill.

601. Supposing you occupied a farm in the hills in the catchment area, of vastly inferior land to the land which you are acquainted with, do you think it right that you should be taxed more than those other people who have exceptional privileges, and that they should be benefited?—If I receive no benefit from it, I would say I should.

602. Would you exchange a flooded farm along the Bann shore, at the present moment, for a farm in the catchment area?—That would entirely depend upon the circumstances of the case.

603. Then, therefore, the men along the Bann shore, in your opinion, are better circumstanced than the men in the catchment area?—I did not say that.

604. You are not prepared to say that you would exchange with them?—No, I do not say that at all.

605. What would be the added value that would be given to the land per acre?—The value that I put on it myself, for non-flooded land, would be 1 *l.* an acre.

606. What would be the increased value if it was freed from flooding?—That is the value if it was freed from flooding.

Mr. Pinkerton—continued.

607. What does it stand at at present?—I would say that it is worth 5 *s.* an acre less, in some years it would be more.

608. Then you would have 15 *s.* an acre added value?—I think so.

609. You think that mountain land would not be worth 6 *s.* 6 *d.* an acre after it was drained?—That is a question for the catchment area; they could not get rid of their water at all if it were not through the Bann.

610. Take Mr. Rankin's side of the river, you know that he has a considerable extent of bog land there worth about 2 *s.* 6 *d.* an acre?—I do.

611. Do you say that that land would increase to 1 *l.* an acre if drained?—There is not a very large bog area there, I have been over it all, and valued it too.

612. You would say that the added value is about 10 *s.* an acre on the average, out of 29,000 acres, along this flooded area?—No, I did not say 10 *s.* an acre, I said 5 *s.* an acre less.

613. You said that the flooded land at the present moment was worth 5 *s.*?—No, 5 *s.* an acre less.

Mr. Morrison.

614. I suppose you do not know what a 1 *d.* in the *£.* on the catchment area would come to?—No, I never made that calculation.

Mr. Coddington.

615. When you and other witnesses speak of an acre, do you mean a statute acre?—It is all statute acres in our district.

Mr. EDWARD STANLEY OBRE, sworn; and Examined.

Mr. O'Neill.

616. You are Secretary to the Lough Neagh Drainage Trustees?—Yes.

617. How long have you been secretary?—Since August 1883.

618. And you have had an opportunity of knowing that there is a considerable flooding in the district under your charge?—Yes.

619. Have the Lough Neagh Drainage Trustees come to any decision about this Bill?—They approve generally of the principle of the Bill.

620. But not of all its details?—No, they have suggested some trifling alterations in two of the clauses.

621. We shall be glad to hear what suggestions they make?—The first suggestion that they make is with regard to Clause 16. According to that clause the special rate on lands improved is charged on lands not improved in the hands of the same owner at the time of the award. I think that in future this may lead to complication and difficulty, if by any chance two parcels of land should become the property of different occupiers, and they suggest that that clause should be left out.

622. It might happen that a farm which is not in the improved district changes hands, then the new owner would have to pay exactly the same for what was not improved?—Quite so.

Mr. O'Neill—continued.

623. What other suggestion have you to make?—The other suggestion is with regard to Clause 34; they propose that in the event of an occupier through whose lands the connecting drain is made, benefiting by the work, he should pay towards the work such sum as the Conservancy Board may think fit.

624. At present, if a drain is made through a man's land, under the Bill he is entitled to compensation?—Yes.

625. You think, or the trustees think, as I understand it, that the drain may benefit his land?—Yes.

626. And that, instead of being paid, he ought to pay?—He ought to contribute something towards the cost.

Chairman.

627. Could that be carried out very well in practice?—The trustees propose leaving the matter to the Conservancy Board to decide.

628. Do you mean that, in a scheme which is to be submitted by the Commission to the Conservancy Board, this point should be dealt with?—It is dealt with to a certain extent in the Bill at present; the only thing is that the Conservancy Board can give power to construct drains through another occupier's land, but they can only award compensation to the man in whose

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Mr. OBRE.

[Continued.]

Chairman—continued.

whose land the drain is made for any injury he may sustain. The trustees think that if this man derives a benefit from the work he should be called upon to contribute something towards the cost; those are all the suggestions that I have to make on their behalf.

629. Otherwise they approve of the Bill?—Yes, they approve of the principle of the Bill generally.

Mr. Coddington.

630. Do they see any objection to the navigation being continued in the modified form suggested by the engineer?—The feeling of the trustees is that they do not consider that the navigation provides a sufficient outlet for the drainage, for with them of course drainage is the first question.

631. Do the trustees express an opinion as to whether the navigation could be continued?—They have expressed no opinion upon that point, I believe.

Mr. O'Neill.

632. Do they ever express an opinion about the distribution of taxation?—No, they never have; the only opinion that they expressed was that they thought the grant from the Government was insufficient.

633. Why was that?—Because they look upon it in this way, that the grant from the Government would simply make up for the defects of the Lower Bann Navigation Trustees, who have allowed the river to silt up, and Mr. Manning has estimated the cost of restoring it to its original condition as 20,000 *l.* or 24,000 *l.* The grant which the Government propose to give will only accomplish that.

Chairman.

634. Where do the people who are represented on your board principally live?—They live in the immediate district; there are many representatives of each county; the large proprietors live throughout the five counties in which these lands lie.

Mr. Philipps.

635. I think you said that the cost of restoring the river to its original condition, and doing away with the navigation would be only mitigating the evil caused by the Lower Bann Navigation Trustees, and would cost some 20,000 *l.*?—I did not say that. I said that the cost of restoring the river to the condition in which it was when it was handed over to the Lower Bann Navigation Trustees would be 20,000 *l.*, as they had allowed the river to silt up; that is what I meant.

636. How much, in your opinion, would it do away with the navigation works?—I cannot tell you anything about that.

Mr. Pinkerton.

637. Were you present yesterday when Mr. Eccles was examined?—Yes.

638. If I recollect, his evidence was to the effect that the Lower Bann Navigation Trustees have spent a large portion of the money in deepening the river?—Yes, I think so.

639. How does that evidence square with your statement that they have allowed the river to silt up?—I am going on Mr. Mannings' Report.

O.129.

Mr. Pinkerton—continued.

640. You believe that the Lower Bann Navigation Trustees are claiming credit for what they do not deserve?—The Lower Bann Navigation Trustees for many years maintained, and did all they could to keep open the river for navigation purposes, not for drainage purposes at all.

Chairman.

641. Do you know that in recent years they have constructed large works for drainage?—Yes, they have.

Mr. Coddington.

642. Within what number of years?—They have done so for the last six years, certainly.

Mr. Pinkerton.

643. Mr. Eccles said that 1,100 *l.* of annual expenditure had been almost entirely spent upon drainage. If 1,100 *l.* was spent annually on drainage from Carnroe and Toome Bridge and Cutts to Coleraine, would the river be in the same state in which it is at present?—I really could not tell you.

644. You are strictly non-committal with regard to that?—I know nothing about the Lower Bann, or how they spend the money.

645. With regard to the Conservancy Board, would you not prefer that the new Board should have the power to initiate schemes rather than simple consent or approval?—No; I think it would be better to leave it in the hands of the Commission.

646. You think that the Report of the Commission should be a cut and dried thing sent down to them, and simply leave the Conservancy Board the power to reject or approve it?—Yes.

647. You simply elect a new Board for the purpose of saying yes or no?—Yes.

Mr. T. W. Russell.

648. Do you think that the Conservancy Board that would naturally be elected in this case would be a very good Board to decide upon engineering points?—No, I should not think so.

Mr. Pinkerton.

649. The new Conservancy Board might be called upon to send in an account of the drainage they require, and further to submit the plans to the engineer, but as the law stands at present the Royal Commission decides that 90,000 *l.* or 60,000 *l.*, as the case may be, should be spent in the district, and they only leave the Conservancy Board the option of saying yes or no to the proposal; do not you think that the new Board should have the power to say how much money should be expended, and how far these works should be carried out?—We say that the Commission should have power to vary a scheme; but the Commission should only vary it on the representation of the Conservancy Board.

Mr. T. W. Russell.

650. Would not there be the much greater danger if these matters were left to the Conservancy Board, that they might spend the Government grant of 20,000 *l.* and probably go no further?—Possibly.

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651. Is

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Mr. OBRE.

[Continued.]

Mr. Cox.

651. Is there no danger of the Royal Commission doing that?—I do not think that likely.

652. Under this scheme do you approve of taxation without representation?—No, not as a rule, I do not.

Mr. Cox—continued.

653. Has your Board formed any opinion as to what will be the effect upon the Bann drainage by this scheme?—No, I can give you no opinion about that.

Mr. DAVID GRAHAM, sworn; and Examined.

Chairman.

654. WHOM do you represent?—I appear before you as the Superintendent of the Lower Bann Navigation.

Mr. O'Neill.

655. Are you an engineer?—I am the superintendent in charge of the works. Before I undergo examination, I wish to read this statement. My object in doing so is neither to condemn nor approve of the Bill which you have now under your consideration. My object is personal. I find from the clauses in your Bill that the navigation of the Lower Bann will be abolished; that the trustees will also be abolished, and that the services of the officials will be dispensed with. This will entail an irreparable and serious loss to us officials. I may state, for your information, that the majority of us officials have been under the control of the trustees since the navigation was handed over to the said trustees by the Board of Works, and our pay has been now so limited that none of us have been able to make any provision for the future. We have all spent the best of our days in the trustees' service, and are ill prepared for any other work only that which we are used to. Sir Charles Lewis, on our behalf, kindly asked the Chief Secretary whether he would make any provision for us in the form of compensation or gratuity. The Chief Secretary's reply was in the negative, but that we might get employment under the new conservancy board. We are all old men now; I may say I am the youngest of the nine officials; you can judge from that what kind of labour we should be fit to undertake other than that which we were used to. We now appeal to you, Mr. Chairman, and honourable gentlemen of this Select Committee, to take our case under your kind and generous consideration, and we rely on your honest convictions that you will see justice done to us, being deprived of our means of existence from no fault of ours; so we humbly trust you may see your way to prevail upon the Chief Secretary to give us compensation, or a gratuity, from whatever sources he has at his command. I have been asked by an honourable Member where the means would come from to give this compensation or gratuity. Knowing no other, I pointed out two schemes whereby, if the Government thought proper, and approved of the same, each of us officials could be provided with an ample gratuity. You are aware, I hope, Mr. Chairman, and honourable gentlemen of this Select Committee, that in 1877 there was a Government grant of 60,000 *l.* given to Ireland to assist in drainage. You are also, I hope, aware that 6,000 *l.* of the above sum was allocated for the purpose of drainage in the Lower Bann.

Mr. O'Neill—continued.

I am perfectly well aware that the above sum was not expended on the Lower Bann. There might have been 500 *l.* or 600 *l.* spent in dredging, and as to the benefit that the drainage received from it, I leave others to form an opinion, so that whatever is over and above the sum of 6,000 *l.* must be in the hands of some person who I am not aware of. If this can be found out from the proper authority, there should be a sufficient of this sum left to give the officials of the Lower Bann ample compensation. On the other hand, if the Government would rescind one of their clauses whereby they ask the trustees to hand over their plant, and any money which they have in hand, to the new conservancy board, and leave it to the trustees to give over their plant to the new conservancy board at a valuation, then, with whatever balance is in hand of the 6,000 *l.*, and the cash in hand of the trustees, and whatever their plant would realise, sufficient out of the above sums, they might satisfy the wishes of the officials of the Lower Bann. If you would approve of the above scheme, it would prevent you from interfering with any existing arrangements. This scheme would entail on you no extra labour, nor detain you in any way in carrying out the laborious work you have in hand. You would have simply to make your award and give your orders to the proper parties concerned, and your orders would be carried out to your satisfaction, and their hopes realised by the officials of the Lower Bann. I am perfectly satisfied that the Bill will become law. You have the material to carry it by a triumphant majority, and long may you be in the same position, knowing that whatever your united counsels may adopt, they will be the convictions of honest desires for the good of our country; and when all is completed, you can always all rest satisfied that you have done your duty to all concerned. As to my appeal to you, I need say no more. You know our position, you also know our wants, and we humbly and respectfully leave the matter in your honourable hands, believing you will see the justice of our claim, and that they will receive such consideration from your joint counsels as will bring relief to the long and honest service and labours of the officials of the Lower Bann Navigation.

Chairman.

656. You wish us to submit your case to the Chief Secretary?—Yes, and you honourable gentlemen.

Mr. T. W. Russell.

657. How many officials are there?—There are nine.

656. What

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Mr. GRAHAM.

[Continued.]

Mr. Cox.

658. What are their aggregate salaries?—The aggregate of the salaries of the nine officials is 308 *l.* The earnings are 70 *l.*; that is to say, the earnings by traffic. The earnings on the river are on an average 70 *l.* a year.

Mr. O'Neill.

659. Does the 308 *l.* include your secretary's salary?—It includes everything.

Mr. T. W. Russell.

660. What does the secretary do?—He keeps the accounts for the grand jury every year.

Chairman.

661. How much does the secretary get?—£. 52 a year.

662. And how much does each of the lock-keepers get?—Your humble servant gets 90 *l.* a year.

663. Are you a lock-keeper?—No, I am superintendent of all the locks.

664. How much do the others get?—The lock-keeper at Cutt's Lock gets 28 *l.* 12 *s.* a year; the one at Carnroe gets 23 *l.* 8 *s.*; the one at Portna gets 23 *l.* 8 *s.*; the one at Portglenone gets 23 *l.* 8 *s.*; the one at Antrim gets 23 *l.* 8 *s.*; the one at Toome gets 28 *l.* 12 *s.*, and the one at Aivey Bridge gets 15 *l.* 12 *s.*

Mr. Cox.

665. How many years have you been in the service?—Our secretary has been there 20 years.

Mr. Coddington.

666. How many years have you been superintendent?—Fifteen years, and the Cutts' lock-keeper has been employed for 27 years.

Mr. T. W. Russell.

667. What do you say to the proposal that the officials should be employed under the new conservancy board?—I would have no objection to serving under the new conservancy board, provided it was anything consistent with the duty which I have been usually able to perform.

Mr. Pinkerton.

668. May I ask you what your duties were?—There are four county bridges.

669. We have heard that for five years there has been no navigation; if there is no navigation how could the lock-keepers be employed?—That is a mere whine. We have been dredging these last 15 years.

670. How often are these lock-keepers employed in opening and shutting the locks in the course of the week?—Seldom, except during the summer, three or four times a day during the summer, or once or twice.

671. What sort of traffic goes up and down the river?—Fishing boats and rafts of timber. There were three rafts of timber down this summer from Portglenone.

672. You had to open the locks three times in that case?—Yes, all the locks.

673. That was a very heavy strain upon you?—There is no doubt that the labour is not very severe; but still the time is occupied and the time is lost.

O.129.

Mr. Pinkerton—continued.

674. Do you think it would be fair that the taxpayers should be compelled to maintain men in idleness for an uncertain period, because they happened to have been kept in idleness during the last 15 years?—I do not believe that I am competent to answer that question; I leave it to men of more skill; but I would consider that when a man's time is occupied he may just as well be employed as not; he loses his time all the same, and they should be paid for loss of time.

675. You said, did you not, that they were unfitted for any other active employment?—There is one of the officials who is 90 years of age; I do not know what employment you could put him to.

Chairman.

676. I suppose there was no provision for a pension in your agreement with your present employers, was there?—None.

Mr. T. W. Russell.

677. Your present employers are not the Government?—No, they are not; they are appointed by the Government.

Mr. Coddington.

678. What was the greatest amount of toll collected in any one year on this navigation?—I have not taken a collective view of it for these last 15 years, but it has been done by the Royal Commission. The average annual earnings of the men amount to 70 *l.* a year.

679. Is the traffic increasing or decreasing?—It is nearly the same for the last 15 years.

680. How do you account for the fact that there is so small a traffic on this navigation; is there any reason for it?—Indeed I do not know. It is not a very populous district along the river, and there are not many people to be supplied, except what can be supplied from provincial towns around.

681. Still, there must be a great deal of heavy traffic between Coleraine and the various districts in this watershed; how does that traffic principally go?—It goes round by Toome.

682. Does it go by railway?—Yes, by the Derry Central, and by the Northern Counties.

683. Is the reason why the traffic on the navigation is so small that the railways carry cheaper?—No, I think not. There are no boats prepared to carry traffic.

684. It is an extraordinarily small amount of traffic?—Certainly. It is capable of doing a great deal more work, provided it was properly patronised.

685. Are the rates too high?—No; we only charge 6 *d.* for each fishing-boat going through each lock.

686. What are the rates for barges carrying cargoes?—There have been no barges in my time there, except what I have used myself.

687. Nothing but fishing-boats?—There is no heavy traffic. Several lots of timber came down a year back.

688. But that comes down in rafts, does it not?—Yes.

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689. And

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MR. GRAHAM.

[Continued.]

Mr. Coddington—continued.

689. And there is no barge traffic up the navigation?—No; there is nothing but what I have been the means of causing myself, by bringing coals for the use of our dredger.

690. Supposing that there were a number of barges put on the navigation, would they be able to do any business?—That would depend upon the public. If the public would encourage it or patronise it, there might be plenty of trade on the river. It is not for the want of accommodation; there is every accommodation for traffic, provided it was properly patronised.

Colonel HENRY STEWART BERESFORD BRUCE, sworn; and Examined.

Mr. O'Neill.

693. You live on the Bann, do you not?—I live on Lough Beg, which is on the Bann.

694. And you are a member of the Lower Bann Navigation Trustees?—Yes; and of the Lough Neagh Drainage Trustees.

695. And you are also the lessee of the eel fishery?—Yes.

696. You have a steam yacht, have you not?—I have a small steam yacht.

697. And you often go up and down the river, and you know it perfectly well?—I know it perfectly well.

698. Have you read this Bill?—Yes; I have gone through it.

699. In the first place, of course you know that a great deal of the land in the neighbourhood is liable to floods?—Yes.

700. Do you think that something ought to be done to relieve those lands of floods?—I think so; but it should be done at the expense of the Government, because we have already paid for it.

701. You think that something ought to be done?—I think something ought to be done, certainly.

702. And you say that you think the Government ought to pay for it?—Yes.

703. Will you explain to the Committee why you think so?—Because 40 years ago, or very nearly so, the Board of Works commenced the drainage of the river Bann at an enormous cost, 240,000 *l.* or 250,000 *l.* At the expiration of about 10 years, in 1858, they put on what I think a very heavy tax. I had to pay nearly 200 *l.* a year myself for 20 years. That expired in the year 1882. I myself was charged for some 550 acres of what they call "intake" on Lough Beg; I call it "take in," because I never saw it yet. I have seen about 300 acres of it, and that only for about four months out of the 12. We use it for grazing, but 48 hours rain will flood the whole place, and drive the cattle away altogether; and if we do not happen to have high land adjoining in grass, these cattle have to be sent home, and the consequence is that we lose everything. Therefore the intake is practically worth nothing; but we have paid for it, as I say, a very heavy tax for 22 years. By this Bill we shall only get what we have already paid for; and I object to paying for it twice over.

704. Do you think that people in other parts of the benefited lands, or lands which are sup-

Mr. Coddington—continued.

691. Supposing that barges were put on this navigation, would the owners of those barges have to pay anything in addition to the toll for going through the locks?—That is a matter for the trustees. There is a certain scale laid down by the Board of Works, a farthing per ton per mile upon certain materials.

692. That is prohibitory. I believe that if the trustees found that reducing the toll would give encouragement to the traffic, they have power to do so.

Mr. O'Neill—continued.

posed to have been benefited, are in the same position as you are?—Exactly the same. I speak only of the Lower Bann.

705. A great deal of the land which we have to deal with is about Portadown, is it not?—Yes. This Bill, of course, will keep the water low at Toome Bridge, and therefore will relieve them; but having paid for it already I consider that we ought not to have to pay for it twice over.

706. And you think that neither the people who are in the specially benefited districts, nor the people in the catchment area, should be taxed?—I think that nobody should be taxed for doing a thing twice over. Had the Board of Works done the works properly, which it can be easily proved that they did not, this Bill would not have been necessary; but the Board of Works never completed the works. It was laid out by Mr. M'Mahon, and he died, and Mr. Otley carried out the works. After expending all the grant from Parliament they had to go back to Parliament for another grant. They got that and spent it, and then their works were unfinished, and they are unfinished at the present moment. There are miles of what they call stanks, stone walls, in the bottom of the river at this minute, which keep back the stream. They have large enough powers to do it, but they have not the money to do it with. In going down the river with my steam launch, if I did not know the river well, and it was not marked by posts, I should have run on to these walls. I have lost two propellers already, and we could not go down the river at all without knowing it well.

707. You think that the Government ought to give the whole of the money, and that there should be no taxation?—Decidedly.

708. Do you think that the navigation ought to be maintained, or that it should be done away with?—I think it would be a very great pity to away with it. I think that both the drainage and the navigation can go on together perfectly well. There cannot be navigation, because there is a great block at Coleraine in the shape of a bridge that a vessel cannot pass. If there was a swivel arch at Coleraine bridge you could bring a lighter of 150 tons across from Whitehaven or Liverpool, and take coals right up to Toome Bridge. That would cut down the rates on the railway. I myself pay now 8 *s.* 7 *d.* per ton

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Colonel BRUCE.

[Continued.]

Mr. O'Neill—continued.

ton for coal to Toome Bridge, and I have no doubt that I could bring them across from Liverpool for 5 s.

709. You think that a ship of 150 tons could go up the Lower Bann to Toome?—I think so.

710. In the present channel?—The present channel should be eight feet; that is the nominal channel.

711. Do you approve of the idea in this Bill to reduce the size of the channel?—No, I should say not if there is a swivel arch at Coleraine to let vessels through. You could not do with anything less than eight feet. The locks are 120 feet long, and 20 feet wide, and that would hold a long vessel.

712. Unless you put a swivel arch into Coleraine Bridge navigation is of no use?—Where are you to get navigation from? There is no commercial work between Coleraine and the inland towns; it is between England and Scotland. When I go to Coleraine in my steam-launch, I am obliged to wait there till the tide falls very low, and lower my mast to get under. Of course, cross-channel vessels do not lower their masts; and even if they did they would have their funnel. If there was a drawbridge at Coleraine there is nothing to prevent navigation going on the same as it does in the Ulster Canal, and in the Lagan Canal, and every other canal.

713. Then you think that the idea in this Bill should not be carried out of reducing the channel?—Certainly not if there is a swivel arch put in at Coleraine.

714. You would recommend that?—I should recommend that; and then there would be navigation. How can there be navigation when there is a great block at Coleraine, which no vessel can pass?

715. As to this question of embankments, upon which there seems to be some difference, have you formed any opinion?—I do not know anything about the embankment, and I did not know there was to be one, because I have not seen any plans.

716. Are there any suggestions that you wish to make about this Bill?—The only suggestion that I have to make is, that if it is carried out we should not pay anything for it, because I consider that that would be paying for a thing twice over, which I think is most unfair and unreasonable. I paid upwards of 4,000 l. for that last drainage, 190 l. a year for 22 years, and I got very little benefit from it, because, as I say, 48 hours' rain covers the whole of the flat lands.

Mr. T. W. Russell.

717. You live in the specially benefited area, do you not?—Yes, I live on the banks of Lough Beg. You passed over the other day and saw it.

718. You think that the Government ought to do the whole of this?—Yes, I think so, certainly. I have been of that opinion all along. The Government should have been applied to to complete the works.

719. What have you in your mind as constituting the Government in this matter?—I mean the Board of Works.

720. But when you call upon the Government

O.129.

Mr. T. W. Russell—continued.

to provide money for completing the drainage of the Bann, what constitutes the Government in your mind for such a purpose, because they will not get the money at the Board of Works offices in Dublin; where will they get it?—They would vote it, the same as they voted this 20,000 l.

721. That is to say, from the British taxpayer who lives in Cornwall or Devonshire?—Yes, for this reason, that the Board of Works undertook to do certain things 40 years ago, and they put a tax upon the country to do those things. They never completed them, therefore I say that they took our money, and did not give us what they ought to have given us in return.

722. You will admit, I presume, that all engineering works of any great magnitude are liable both to misconception on the part of the engineers, and to accident?—Yes; but I think that they should complete a work if they begin it. If they built a house, and did not put a roof upon it, it would not be of much use; and instead of making this river navigable they have made it the most dangerous navigation, and one that no person can go up and down without a pilot.

723. That I quite admit, for I stuck twice the other day?—And in a boat that does not draw so much water as mine.

724. Assuming that the Government will not provide any more than the free grant of 20,000 l., do you think it a fair principle to tax the catchment area?—Certainly, because if it was not for the water coming down from the hills, we should have no floods at all, because the water that falls upon the injured land would never cause a flood of any consequence. When the water comes down from the mountain lands it floods us.

Chairman.

725. Is it not a fact that the Government, that is to say, the taxpayers of the three kingdoms have already given 109,000 l. towards the expenses of this work?—Yes, 40 years ago. This would make 125,000 l.

726. As regards the swivel bridge that you suggest, I suppose there is no prospect of that being constructed unless the Coleraine people are compelled to do it by Act of Parliament?—I do not know whether they are compelled to do it or not; but I was informed by a gentleman the other day, who lives close to it, that when the bridge was built, preparations were made so that a swivel arch can be put in at any time; that the abutment was built strong enough for a swivel arch.

727. I think I heard you say that the principal trade that would come, if the bridge was big enough, would not be from the town of Coleraine?—No, from Scotland or England; coals or timber, or whatever we wanted. When I bring coals over I bring them to Larne, and have to rail them the whole way from Larne.

728. Therefore, so far as the Coleraine people are concerned, it would be rather against the interest of the merchants there to have the navigation?—I do not see that it would do them any harm at all, because we do not get our goods from Coleraine; I get my coal to Larne and there by the Northern Counties Railway.

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729. From

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Colonel BRUCE.

[Continued.]

Mr. Coddington.

729. From Larne to where?—To Toome Bridge.

Mr. Cox.

730. By Ballymena?—No, not near Ballymena; it does not go to Ballymena at all; it goes past Antrim, and then there is a junction.

Mr. Coddington.

731. You said, did you not, that you thought the Government should pay the whole of this expense?—Yes.

732. Supposing that the Government declines to pay the expense, what then?—Then I should be opposed to doing it all.

733. You would let those lands be continually under water?—Yes, rather than pay another tax for 40 years. Having paid one tax for 22 years, I think it is rather too bad to have to pay another tax for 40 years for the same thing.

734. You said, did you not, that it cost you 8 s. 7 d. per ton to bring coal up to Toome?—From Liverpool, 4 s. to Larne, and 4 s. 7 d. on from Larne to Toome.

735. Is that the carriage or the cost of the coal?—That is the carriage; it has nothing to do with the cost of the coal; I have no doubt that I could bring it from Liverpool for 5 s. to Toome Bridge by water carriage.

736. That is if this canal was made navigable for boats?—Yes. The only boat on this navigation was a little steamer called "Kitty of Coleraine," and she merely trafficked with Coleraine; there was very little traffic between Coleraine and those places, because you had to transfer everything on the other side of the bridge.

737. Is there no other way of coming to Toome?—Yes, you can come by the Lagan Canal, or by the Ulster Canal; but the Lagan Canal is impeded by a great many old bridges. I think there are 27 bridges on the Lagan Canal, and you cannot get anything but common canal lighters and things of that sort. The bridges are very low and old-fashioned.

738. The cheapest way is to come by Larne at present?—The cheapest way is to come by Larne, and the Northern Counties have the command of all that, and they can charge us what they like.

Mr. Philipps.

739. Did I correctly understand you to say that you are a landowner?—Yes, I own land on both sides of Lough Beg.

740. Just in this special district which is supposed to be benefited by this scheme?—Yes, for which I was charged for 550 acres. It is not covered at this minute, but in the winter it is all covered for eight months.

741. What is the rental of good land along the river that is not liable to be flooded?—On the Derry side of the river my land lies high, and most of the tenants went into court. It was 17 s. 3 d. per acre before they went into court, and it was reduced to about 12 s. 6 d., and that is the rent at the present time. It all bears wheat, flax, and oats, and there is no bog land in it at all; it is all arable land. The Commissioners reduced it to 12 s. 6 d. an acre, and besides that, I had to give 1 s. 8 d. in the £. last

Mr. Philipps—continued.

year by the Act which was passed two years ago.

742. What is the present rental of similar land liable to be flooded along the river?—On the Antrim side of the lake my land is low, and a great deal of it is liable to be flooded, and the average rent of it is 10 s. per acre. Very few of the tenants went into court, the rent was so low; I think seven or eight of them did go into court, and they got it reduced to about 8 s. per acre. That is the land that is flooded. The rent of the higher land that was not flooded was about 12 s. per acre.

743. What do you consider would be the additional value given to your low land which is liable to be flood, if this drainage scheme were carried out and proved to be a success?—The low lands with the exception of what they call the intake would not be benefited at all I think, because the water is low enough in the winter to vent the water out of the river. I have only known one flood run back into the river during the last 10 years; that was in the flood of 1877.

744. I suppose that if this scheme were carried out it would be some benefit to the low lands?—It would be very little benefit to the low lands that I speak of, because the present depth of water is quite sufficient for them. It might perhaps give me my 550 acres that I was promised 30 years ago.

745. Do you mean that the land is worth nothing at all now?—What I mean is that they charged me for 550 acres of intake, as if they had released that from water; but they never realised more than 300 acres, although I paid for 550 acres. I say that this might give me the 550 acres.

746. As to this 550 acres of intake, as you call it, what do you get for that at present?—It is a sandy ground that grows a rough kind of grass, and we take on cattle by the month or six months upon it.

747. What do you make now upon that 550 acres?—Very little in the last three or four years, because the cattle were so scarce in the country. At the very outside I did not make 50 l. a year of the whole thing, because I never saw more than 300 acres of it; the water was never lowered to the point they intended to lower it to.

748. Supposing that you got the full advantage of the drainage under this scheme, what do you calculate that that land might be worth in future, if it was never liable to be flooded at all?—It is a question whether it might make meadow in that case, although the grass is of a very peculiar kind, so peculiar that I cannot get any one to give a proper name for it. I have sent samples of it to one or two seedsmen to try if they could name it, but they did not know what it was; and they sent it to Holland, and they gave it there some kind of name; they called it a kind of water grass. It would not make hay.

749. Supposing that this land, after the drainage, becomes meadow, what do you estimate it would be worth then?—I never made an estimate, because it is always liable to be flooded, unless they embank it. I do not think there is any scheme for embankment here at all along Lough Beg, and therefore no matter how much they lower

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[Continued.]

Mr. Philipps—continued.

lower the level it will always be liable to be flooded.

750. Supposing that the scheme is a complete success, and that these 550 acres of yours are never flooded, what will it be worth then?—If fully stocked it might be worth 70 *l.* or 80 *l.* a year. The grass is such a bad quality that it would not make hay at all. The grass is more like a kind of bent than grass.

751. Your land is in the area most liable to be benefited, is it not?—Yes, just along the side of Lough Beg.

752. And yet, if I understood you aright just now, you said that if you had to contribute anything towards this scheme you would rather have no drainage at all?—I would rather have no drainage at all than pay another penny.

753. Is that the view of most of the tenants?—That is the view of all the farmers that I have heard speak about it. They would rather have no scheme at all than pay a penny more.

754. They would rather have no drainage than pay any tax?—Yes, and they say, “If the Government choose to do it they may, but we will pay no more tax.”

Mr. Morrison.

755. Are these intakes embanked at all?—Not at all. The land is as flat as this table, and 48 hours of rain will flood the whole place with two or three inches of water, and then, of course, the cattle have to be driven away. If you have not high land alongside, the cattle must go home, and then you are liable to an action for not fulfilling your contract. My neighbour, who has the intake, was, two or three years ago, obliged to send all the cattle home, because he had no land alongside of it.

756. Your grievance against the Board of Works is that they did not finish the scheme?—Yes.

757. Was not that a question of money?—It is a question of money, but still they made us pay for it all the same.

758. Then your grievance is that they did not tax you enough?—My grievance is that they undertook to do a certain thing which is laid down in black and white. That certain thing they did not do, and yet they made us pay the bill, and a very big bill too.

Mr. Pinkerton.

759. Am I to understand that you are in favour of maintaining the navigation works in the river?—I would maintain the navigation works, and I would put sluices in all the weir walls, and that would let away the floods as they come down.

760. Did I correctly understand you to say that the cost of the carriage of coals from Liverpool to Toome would be 5 *s.* per ton?—That is what I think it would be.

761. Are you aware that the cost of carriage to Coleraine at the present moment is 6 *s.*?—I do not know what it is to Coleraine.

762. Are you also aware that they charge another shilling for harbour dues, which makes it 7 *s.* to Coleraine?—No, but I know that I have paid myself 3 *s.* 6 *d.* and 4 *s.* to Larne.

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Mr. Pinkerton—continued.

763. Consequently you would only have a shilling left to take the coals from Coleraine to Toome Bridge?—I would bring them from Liverpool or Whitehaven direct.

764. Are you aware that the cost of carrying coal to Coleraine at the present moment is 6 *s.* per ton?—I was not aware of that.

765. And then 1 *s.* for harbour dues?—The harbour dues are at Portrush, I suppose, not at Coleraine.

766. That would make the charge 7 *s.* per ton. You would only have 1 *s.* per ton left to take the coals to Toome Bridge. What is the depth of the water from the head of the arch at Coleraine Bridge?—I believe there is 14 feet of water at low water. I believe the arch is 8 feet high water.

767. What would the height of the arch be at low water?—I cannot tell you that; I do not live at Coleraine. I was told that there was 14 feet of water at low water, and at high water there was 8 feet between the water and the arch.

768. Do you think that the reason why the Coleraine people abandoned the powers in the Bill of 1879, of constructing a swivel in the arch, was to prevent the trade passing from Coleraine, and not calling there?—I do not see why they should want to do it.

769. What other reason could you give for the Coleraine people giving up that part of the scheme?—I do not know; I never heard of it; I never knew that they did it.

770. Do you think that a trade from England or Scotland passing Coleraine would benefit the people of Coleraine?—Those towns that I spoke of, Portglenone and Toome Bridge and Kilrea, have no traffic at all with Coleraine that I am aware of. It would injure the Northern Counties Railway, because, instead of getting our coals by it from Larne, we should get them by water. When there is water traffic, it cuts down the railway rates. There is no railway within four or five miles of Portglenone on one side, and seven miles on the other.

771. To what do you ascribe the abandonment of this scheme in 1879, for the construction of the swivel in the arch of Coleraine Bridge?—I do not know anything about the Coleraine affairs.

772. You are opposed to all further taxation?—I am opposed altogether to all further taxation.

773. How do you reconcile that with the statement that you were in favour of the catchment area becoming contributory?—If the works are carried out, I say they ought to pay for them as much as we ought.

774. You say that the farmers within the benefited district are opposed to paying another penny?—Along the Bann shore I have been told by several of them that they would pay no more tax.

775. If that was the opinion of men on the benefited lands, do you not think that men on the unbenefited lands have a far stronger reason to be in favour of the rejection of this measure?—I should think none of them want to pay any more tax, it would be very unnatural if they did. I

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Colonel BRUCE.

[Continued.]

Mr. Pinkerton—continued.

think it would be a monstrous thing to put another tax upon us after we have paid one for 32 years; and if the Board of Works had done their work, there would have been no necessity for this Bill at all.

Mr. Littler.] I think that if an attack was to be made upon Mr. Manning's department it should have been done through your counsel when Manning was in the box. Mr. Manning had nothing to do with it; he was not the officer who carried out the works.

Mr. J. D. Fitzgerald.] I do not represent Colonel Bruce, but Colonel Bruce was the witness whom I proposed to call for Mr. O'Neill with reference to the Toome fishery; and, if convenient, I would examine him now upon that point.

Chairman.] That is a separate part of the inquiry, and we had better deal with it separately.

Cross-examined by *Mr. Littler*.

776. Are you aware that supposing the Coleraine people should consent or arrange to make the bridge, a swing bridge, or a draw-bridge, then by the arrangements which are made, the seven feet of water can be restored in the navigation?—I do not see why it should not be restored.

777. Supposing that the Coleraine people arrange so that the navigation can be restored at the bridge, were you aware that there would be no difficulty whatever in simply putting in sluices instead of weirs; were you aware also that to do that now would cost 10,000 *l.*, without any adequate benefit until the swing-bridge is placed at Coleraine.

778. That is, to put in the sluices?—Are you aware that if we were to provide for the navigation which is now useless, it would cost 10,000 *l.*, and of course the interest on 10,000 *l.* until such time as the Coleraine people think fit to make that swing-bridge?—I think you are not doing anything until the swivel-bridge is put in.

779. Do you think it is worth while to spend that 10,000 *l.* until it is clear that the Coleraine people will put that arch there?—But putting the sluices has nothing to do with the navigation.

780. Let me put this to you: that the navigation can be restored at any moment that it is necessary to restore it, that is to say, if it becomes necessary, by Coleraine putting in a swing bridge; but that to provide for the navigation now would be putting 10,000 *l.* more taxation upon you; would you like that? What you would have to find would be 75,000 *l.* instead of 65,000 *l.*, if the navigation is improved in the way you want; and I understand that you object to being taxed at all?—Yes.

781. Then you would object still more to 75,000 *l.* than to 65,000 *l.*?—I object to a tax of any sort; but I say that, by reducing the walls and putting in the sluices, the result will be to lower

Mr. Littler—continued.

the water that comes in and floods the lands, and has nothing to do with navigation.

782. If we were to protect the navigation we should have to so alter our sluices instead of weirs that we should have to spend 10,000 *l.*?—Putting in the sluices would not alter the navigation at all.

783. I daresay my engineer and I are both very foolish, but would you mind assuming that to re-arrange the works, so as to admit of navigation now, would cost 10,000 *l.*?—I could not admit that it has anything to do with the navigation whatever, because it has not.

784. Will you assume for one moment that it would cost 10,000 *l.* more to provide for a possible navigation?—No, I will not. I will assume that it may take 10,000 *l.* to put in the sluices, but that has nothing to do with the navigation.

785. Wiping the sluices and weirs off your mind, if it would cost 10,000 *l.* more now to provide for the navigation, which is dependent upon Coleraine in the future altering that bridge, is it wise to spend the 10,000 *l.* now?—I do not think it would be; but I do not see what the 10,000 *l.* would go for. The sluices are the only things that would have to be altered.

786. Were you aware that the very reason why the Government proposal is to put a comparatively small sum on the injured lands is, because of the large sum that they have been paying in taxation in the past? 8,000 *l.* is put on the injured land in addition to that share of the 37,000 *l.* which is put on the catchment area, and some people have been complaining that it is too small; were you aware that the reason why it is put at that comparatively small sum is, because of what you have had to pay to the Board of Works in the past?—No, I am not aware of anything of the sort.

787. If that is so, does it not sound rather equitable?—No, I think there should be no 8,000 *l.* put on any other sum.

Mr. Cox.

788. Supposing that a swivel bridge were put in at Coleraine, the navigation could not be carried out without removing these stone slanks, could it?—Yes, the navigation could be carried on by a pilot, all these stone slanks being well marked by a post. They are marked now, but sometimes in winter the marks disappear in a flood. There is nothing to prevent a vessel going up if it passes Coleraine, though the navigation to Cutts is very imperfect. When I go down in my launch, I have to wait until within about two hours of high water to go to Coleraine. There is a shoal there.

789. Could you give any estimate as to the probable cost of removing those slanks which the Board of Works left there?—I have not the remotest idea. There are a great many of them. There are stone walls in the bottom of the river, nothing more or less.

Chairman.

I think we have now examined all the Witnesses who have been summoned.

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Colonel THOMAS WARING (a Member of the House), sworn; and Examined.

Chairman.

790. WHERE do you reside?—I reside at Waringstown, rather less than four miles from the lake.

791. Do you wish to give some evidence as coming from that part of the district?—I wish to give evidence in favour of the Bill with regard to the flooded lands in the neighbourhood of Portadown and Lurgan, which we think would be very much benefited by the proposed works being properly carried out.

792. Do you consider that the value of the land to the occupiers would be considerably increased if those works were successfully carried out?—I think if we can be secured that the water will never rise above summer level, the value will be considerably increased. We were promised that at the time of the original works, and for a short time the promise was kept; but in consequence of matters of which I have no personal knowledge the works ceased to be efficient after some years.

793. Could you give the Committee any kind of estimate as to what extent the value of the land to the occupiers in your district would be improved?—I should think that if you could secure us altogether from floods, except in accidental cases in winter, you would certainly make a difference of 5 s. an acre upon the lands which are at present liable to be flooded.

794. Is the general feeling in your part of the country in favour of this Bill, so far as you have been able to ascertain it?—I think the general opinion depends upon how much their own pockets would be affected all round.

795. Assuming that the calculations of the engineers are correct, and that 1 d. in the £. for the catchment area is a fair estimate, do you think that people generally in your part of the catchment area are willing to incur that expense?—I am perfectly certain that the catchment area people, if you speak of them in contradistinction to the flooded land's people, will utterly object to pay anything if they can help it; but I think it is most unreasonable to do so.

796. As to the people whose lands will be benefited, do you consider that they regard this 8,000 l. as an excessive tax upon them?—No, I should think not; I do not think it is unfair, although of course I coincide to a certain extent with Colonel Bruce, that the work ought to have been thoroughly done in the first instance when we were taxed, as if the work had been thoroughly done. I myself paid 40 l. a year for 22 years for land which was certainly benefited, but not at all to the extent that it was estimated.

797. But still on the whole you are prepared to accept the Bill?—On the whole I accept the Bill as the best thing that we are likely to get.

Mr. Coddington.

798. Would you approve of the Government paying the whole expense?—Certainly, if I saw any chance of it.

799. Is the land that you refer to between the red lines?—The land that I refer to is in the southern portion of the lake, near Portadown and Lurgan.

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Mr. Philipps.

800. Are you yourself a landowner?—I am both an owner and an occupier of lands affected, both in the flooded areas and in the catchment area, which would be charged, but which would not be flooded.

801. As I understand you will not have to pay as a landlord in this benefited area, but you will have to pay for the land which you yourself occupy?—Quite so; but I had to pay as a landlord for the maintenance of the old works a considerable sum per annum.

802. You said just now, did you not, that the specially benefited lands would be benefited, in your opinion, certainly to the extent of 5 s.?—I think the better class of them would. Some of it is run out bog, which would not be worth 5 s. in the end; but wherever there is a good class of land liable to flooding, it would be benefited to the extent of 5 s. per acre.

803. And some of it, I suppose, even more?—I would not be surprised at some of it being benefited even more than that.

804. With regard to the general feeling in the district, taking the Bill as it stands, supposing that the people had not realised that they would have to pay something, would they have approved of the Bill, or would they rather that there was no Bill at all?—The catchment area people who are not benefited would certainly rather there was no Bill at all. Among those who are benefited there would be a difference as to the amount of faith that they had in the promises of the engineers.

805. They would not believe implicitly in what the engineers said?—Their previous experience would not lead them to do so.

Mr. Cor.

806. You say that you approve of the scheme as being the best that you are likely to get; have you in your mind a possibly better scheme?—Do you mean engineeringly better?

807. Take it on the whole?—I do not profess to have studied the engineering part of the question sufficiently to be able to give an answer to that. I do not see any chance of doing so, but I should have no objection to getting it done for nothing if I could.

808. But the great thing is, when it is going to be done to have it done properly, to the satisfaction of all parties?—I hope it will be done thoroughly this time.

Mr. O'Neill.

809. Did you hear Colonel Bruce say that he would rather have no further drainage at all if he had to pay anything, and that that was the opinion of the farmers about him?—Yes, I did.

810. Is that the opinion of the farmers in your neighbourhood?—Certainly not. We would rather have the Bill and pay for it than have none.

Mr. T. W. Russell.

811. Do you see any chance of the evil being remedied at all if this Bill is thrown out?—I fail to see how it is likely to be remedied.

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Colonel WARING, M.P.

[Continued.]

Mr. T. W. Russell—continued.

812. Are you in the catchment area?—I am both in the catchment area and in the benefited area; that is to say, a portion of my estate is in the catchment area, and I happen to have in my own hands the greater portion of the benefited area, which is, in fact, the only portion of the benefited area which belongs to the county Down.

813. Are not these floods very bad about Portadown?—Very bad indeed. I have also a good deal of knowledge upon the question from being one of the trustees upon the Upper Bann Navigation, and for the last 22 years I have always been chairman when I have been present.

814. As to the people in that neighbourhood, have you any doubt as to what their views are?—The opinions are very mixed; but I think the majority are in favour of the Bill.

815. Are you aware of any meeting having been held in Portadown upon this subject?—I am.

816. What was the result of that meeting?—I believe the opponents of the Bill failed to establish their case, and the meeting evaporated.

817. Was a resolution carried in favour of the Bill?—A resolution was carried in favour of the Bill in the end.

818. You say that you live in the catchment area?—I do not absolutely live in the catchment area, because the actual house and demesne are in the catchment area of the Lagan, but a considerable portion of my property is in the catchment area of the Bann.

819. That being so, do you approve of the principle of taxing the catchment area?—Certainly; I think it is only fair if we look for Imperial assistance that we should give assistance to our neighbours in the lower grounds; and I think it is very desirable to limit it in some shape.

820. Do you not think that if it were put in the Bill that the taxation was not to exceed 1 *d.* in the £., that would do away with the entire opposition to it?—I cannot say that it would do away with the entire opposition to it, but I think it would do away with all reasonable opposition to it.

821. Do you not think that previous experience not only in deficient engineering but as to taxation in these matters frighten those living in the catchment area, and that if it were directly put in the Bill that the taxation was not to exceed 1 *d.* in the £., that would obviate all reasonable opposition?—A great deal of the opposition is not reasonable, but I think it should obviate all reasonable opposition.

Mr. Cox.

822. Can you give us any opinion about the fisheries?—I can give you no evidence with regard to the fisheries how they will be affected by the drainage at all, because the fisheries in my part are only pollock fisheries.

Mr. Pinkerton.

823. You talked about unreasonable opposition; are you aware that the County Antrim Grand Jury have passed a resolution against the Bill?—I have not heard what the County Antrim Grand Jury have done.

Mr. Pinkerton—continued.

824. Are you also aware that the County Derry Grand Jury yesterday passed an unanimous resolution against this Bill?—I have heard you say so since I came into this room.

825. Would you regard that as an unreasonable opposition on the part of the grand jury?—I suppose they had their reasons for doing it. I cannot say what the County Derry Grand Jury or the County Antrim Grand Jury might do; they have done many things that I did not approve of before now. I said nothing about the County Down Grand Jury.

Mr. Coddington.

826. Is the Upper Bann a river with a very slight fall?—The latter portion of it, of course, has not a very great fall. From Portadown down it is almost level; in fact, the fall of the Lower Bann ceases to be anything like sharp from above Gilford in County Down or Tandragee.

Mr. T. W. Russell.

827. Do you not think that Mr. Gamble's proposal to sluice Portna weir would be the best means of doing what is requisite?—That is an engineering question.

Chairman.] We have finished all the witnesses who have been summoned to give evidence on the question generally, and therefore we come now to the opposition of the various persons who have petitioned against the Bill, and who are represented here by counsel. It was settled yesterday that Mr. Pope was to have an opportunity of seeing the plans and estimates; I do not know how the case stands now as to that. Have you anything to say, Mr. Littler?

Mr. Littler.] What has been done since yesterday is this: that although the Government are tolerably satisfied, and I think the Commission were very well satisfied that no injury is likely to accrue either to the salmon fishery or the eel fishery, as they are undoubtedly extremely valuable interests, and valuable in a public sense as well as mere property, because of course they provide a considerable amount of food supply, I am instructed to say that we are prepared, with the approval of the Committee of course, to insert some Clause in the Bill which will have this effect: that if the salmon fisheries or the eel fisheries are damaged by the works, and not only damaged by the works in the sense of the Lands Clauses Act, but by anything which might be rendered the subject of an action, we should be prepared to submit to a Clause introduced by the Committee, providing that any such damage, if it did arise, should be met one-third by a supplementary grant from the Government, and the other two-thirds by taxation upon the benefited area, because the benefited area will have the administration, and it will have three-fourths of the representation, and therefore they ought to be directly responsible for anything which is done by their representatives; but the

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the Government will be prepared to come in aid of it. Exactly as they have come in aid of the general fund, they would come in aid of any special fund imposed upon the benefited area in the same way, to the extent of one-third. That has been communicated to the other side informally; we have had no formal response.

Mr. Pope.] I do not mean to say that there has not been a rumour of something of something of the kind, but we have had no official communication.

Mr. Littler.] You are quite right about there being no official communication. First of all, that proposal is strong evidence of *bond fide* conviction on the part of the engineers that no such contingency will arise; and, secondly, if it does arise, we take care that these large proprietors and those who are largely interested in what is a food-producing industry, and an industry which, of course, assists the whole population of this part of Ireland, should not be injured.

Mr. Pope.] The only question that I will ask my learned friend is whether he has considered the extent to which the compensation is to apply. He used the word "works." You know that by Section 11 of the Bill a great deal may be done by the new board (we do not know what, and nobody knows what; of course it will be in their discretion), which might be more injurious to the fisheries than the construction of the new works. For instance, by

Section 11, the Commissioners are to have the power of varying the embankment and works, or of deepening, widening and straightening, embanking, and otherwise improving the water-courses or outfalls, and of removing any mill dam, navigation weir, fish weir, ell weir, sluice, or other obstruction to any water-course, and so on; and of making any new water-course or outfall for water, and of erecting any new embankment; and further, they may, if they choose, provide for the abandonment of the navigation altogether. If my learned friend means compensation for any damage resulting from the execution of the powers of the Act, then I think I should be content, because if it should be necessary—

Mr. Littler.] I will relieve my learned friend, Mr. Pope. I think that ought to be so.

Mr. Pope.] Then in principle we are agreed, and therefore I do not intervene on the preamble.

Mr. Littler.] Our desire is not to put in an illusory clause, but an honest one. As my learned friend is disposed of on the preamble, I think the only thing I need do is to recall Mr. Gamble to explain one or two points which have arisen, because we had no means of being aware, in the usual way by petition, of what some of these gentlemen would say, and I think probably it would be satisfactory to them to hear what Mr. Gamble has to say.

Mr. JOHN GEORGE GAMBLE, recalled; and further Examined.

Mr. Littler.

828. To get rid of one isolated thing which has arisen within the last few minutes, with regard to Colonel Bruce's fear, if the Coleraine people will arrange to make that bridge a swing-bridge or draw-bridge, can you then restore the seven feet of water?—Yes, we can restore the seven feet of water.

829. But it would be by an expenditure of about 10,000 £.?—We should have to put in sluices. At present we propose to cut down the weirs, so as to let the water go over the weirs; but to keep up a seven foot navigation, we must put sluices in the weirs and let the water go through the sluices instead of going over the weirs.

830. And the difference would be 10,000 £., in your calculation?—Yes.

831. Would there be any use in doing that unless and until the Coleraine people had made some arrangement about a swing bridge?—I think not.

832. In point of fact, I was right in putting it to Colonel Bruce that to maintain the navigation as he wishes would impose another 10,000 £. upon the area, supposing that the Committee passed the Bill?—Yes.

833. I think that disposes of that. Then there is a minor point, I think. I asked another question of Colonel Bruce as to the benefited
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Mr. Littler—continued.

area. One reason why the benefited area is restricted to an extra taxation of 8,000 £. is because of the loss which they have sustained heretofore by the non-completion of the work?—Yes.

834. That amounts, does it not, to only 10 *d.* per acre?—Yes.

835. As regards the most important question of all, I think, and that is the question as to the catchment area, it is the fact, is it not, that it is the steep streams in the hilly districts that do the mischief of causing sudden floods?—Yes.

836. If it were a more level country the water would not come down in the torrents that it does come down in, and the River Bann would flow equally, or practically equally, at most times of the year, would it not?—If it was a more level country there would not be so much sand coming down.

837. First of all, there is a great deal more water coming down. I am going to the sand next. The rapid rush of the torrents brings down enormous quantities of sand, does it not?—Yes.

838. And it is that sand that silts up the river and blocks the drainage?—Yes.

839. For example, the moyola, which comes down from Maghera, brings down a very large quantity of sand, which is deposited directly
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Mr. GAMBLE.

[*Continued.*]*Mr. Littler*—continued.

above and below Toome weir, is it not?—Yes.

840. As regards another point, the excavation and dredging, which has been done by the Bann Navigation Trustees, has been almost entirely, has it not, in one channel for the benefit of the navigation?—I believe so.

841. So far as you are able to judge from the descriptions that you have heard of what they have done, has that done much towards relieving the drainage?—Very little.

842. One other question which I think arises on some questions which have been put by some members of the Committee, that is as to the embankments. In this scheme the embankments are quite subsidiary, are they not, to the main works?—Quite subsidiary to the main works.

843. You desire them as being a convenient and advantageous portion of your scheme, but they are no integral portion of the scheme?—No.

844. What difference would it make to the effect of your works and the efficiency of your works, supposing the embankments were abandoned?—If we abandoned those embankments which are shown by the small red lines parallel to the river course between Carnroe and Agivey Bridge, the lands on each side would be flooded unless we excavated the bed, but we cannot afford to excavate the bed for the estimate; therefore we must either put the embankments or let the land be flooded. They are simply protections to the land. But the important portion of the river to be dealt with is between Lough Neagh and Portna Weir. Cleaning the river below will help those people below, but they are only 2,000 acres out of the whole 23,000.

845. The 27,000 acres are independent of the embankments?—The 27,000 acres would not be helped at all by the embankment.

846. In your judgment, although that is not an integral part of the scheme, is it a desirable part of the scheme, and one which makes it more complete?—Yes.

Chairman.

847. Have you anything to say with regard to the complaint which was made by Colonel Bruce that there was no embankment to Lough Beg?—There would be no difficulty in making embankments to protect the land in Lough Beg if Colonel Bruce's land is worth it. It is not part of the scheme; it is quite a detail.

Mr. Littler.

848. It might be carried out just in the same way as that below may or may not be carried out?—Yes.

Chairman.

849. Would it add much to the expense of the scheme?—I could not say. I do not know the extent of Colonel Bruce's land.

Mr. Littler.

850. With regard to another point at Carnroe, there is a weir and lock. At the present time that weir and lock have an appreciable effect in preventing the salmon going up, have they not?—Yes.

Mr. Littler—continued.

851. And therefore the lowering of the weir and lock instead of being a disadvantage would be an advantage to the salmon fishing industry?—It would be an advantage to the salmon fishery generally.

852. It might not possibly be of advantage to some of the Coleraine people below, but apart from that, taking the general advantage of the salmon industry, would that be an advantage that would be incidental to your scheme?—It would be an advantage to the river generally.

853. Supposing that the navigation were entirely abolished instead of the stream being partially lowered as you propose, would it be more difficult then to design drainage works which should not involve compensation to the fisheries?—Yes.

854. The navigation works assist the fisheries, do they not?—The whole arrangement of the fisheries was established at the time when the Board of Works finished the works, and the consequence is, that if we do not interfere with those works, we practically do not interfere with the fisheries. If we only slightly modify these works we are less likely to damage the fisheries than if we upset them altogether.

Mr. Pinkerton.

855. How would it affect the eel fishery?—If we were to use the lock passages it would interfere very much with the eel fisheries, I think. We should have to put fresh eel fisheries below those lock passages.

Mr. T. W. Russell.

856. You mean eel-traps?—Yes.

857. That is the point that I was trying to get out of Mr. Ellis?—Exactly.

Mr. Littler.

858. Attention has been called to the vagueness, as it is called, of the powers of this Bill; I think that is not unusual, is it; I will put in through you the Thames Valley Drainage Act of 1871, under which a very great deal has been done on this very river. Section 28 of that Act, the clause as to works, and as to cleansing, scouring, repairing, enlarging, deepening and improving the existing works, and making and maintaining any new watercourse, is almost precisely the same as that in our Bill. It is not precisely the same, but it is practically identical. You have the plans here, have you not, if any honourable Member wants to see them?—Yes.

Chairman.

859. This memorandum, which I daresay you have seen, and which is placed in front of the Bill, which has been distributed to honourable Members, I suppose, is based upon your calculations?—Yes.

860. It is stated, at page 3, of that memorandum that the maintenance charge upon the county cess will add about 1 *d.* in the £. to the grand jury cess in the catchment area; that is your calculation?—The interest on the capital and the maintenance together will equal 1 *d.* in the £. on the catchment area.

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Mr. GAMBLE.

[Continued.]

Chairman—continued.

861. Will you explain to the Committee on what you base that calculation?—The estimate is from the Land Valuation Office in Dublin of the value of the different portions of the catchment area; and I have measured the catchment area, and found out what parishes and so on were included in it, and taken the valuation from the Valuation Office, and added that up, and I find that it comes to 1,278,000 £.; and 1 d. on that is rather more than enough to pay the interest on this capital and the share of the maintenance.

862. That is to say, that calculation is on the supposition that the whole of that 37,000 £. is exhausted and spent; it would be less than 1 d. in the £., of course, if the whole of the 37,000 £. was not spent?—Yes.

863. That is to say, the proportion of the 65,000 £. which it is provided by the Bill should be paid by the catchment area?—Yes.

864. Is there any power under the Bill of raising money in excess of this 65,000 £., of which 37,000 £. would be the share of the catchment area?—I think not.

865. Therefore, if your calculation is correct, it seems to follow that it would not be possible, under the powers of this Act, that the taxation of the catchment area should exceed 1 d. in the £.; am I right in that?—Yes, unless the Valuation Office have been wrong in their estimate.

Mr. Philipps.

866. Have you had anything to do with the division of the expenses; I mean the division of the whole cost of the scheme between the Government and the specially benefited area and the catchment area?—No; the Commission made a recommendation, but this is not the same as the recommendation of the Commission exactly. The Royal Commission made their recommendation, but this is slightly different.

867. Did you give any estimate yourself to the Government as to how much the flooded lands would benefit by the cessation of floods?—I did not propose any amendment on what the Royal Commission recommended.

868. While you were in the district, did you make it your business to find out at all what the present rental of the land in the specially benefited area is?—Not minutely at all, only generally.

869. Generally, what is it?—I did not consider that a question that was specially within my province. It was all practically settled by the Report of the Royal Commission.

870. Would it not be your province as an engineer to know how much good you were going to do to the land?—Yes, I endeavoured to ascertain that, but not with a special view to making any alteration, because I was instructed to draw out plans, and I was given a free hand as regards the plans, but I did not consider that I had any special free hand to amend the finance of the question.

871. The financial matters did not come within your province?—Not unless I had found that there was something specially wrong; I should then have submitted it.

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Mr. O'Neill.

872. Several of the witnesses have said, in connection with the embankments, that if they are put up they will keep the water back in the streams and the lands will be flooded; is that your opinion?—No, that will not be the case at all.

873. Does your plan contemplate embanking the streams?—The embankments will run sufficiently far up the tributary streams to prevent the floods from getting round the ends.

874. Then there is no validity in that objection?—No; there will be flap valves in the embankment that will let off the water that falls behind.

875. Do you remember what the embankments will cost under your estimate?—I have not got it separate, but it is a very small portion.

876. Have you before you the amount that 1 d. in the £. would come to?—Yes, over 5,000 £.; 5,300 £.

877. It is more than that, is it not?—That is the interest.

Mr. T. W. Russell.

878. Have the valuation department estimated the amount to be contributed by the catchment area?—My assistants made a map similar to that on the wall, and they took out all the parishes from the books of the valuation department that were inside that red line.

879. Of course the Commission under the Bill will have to define the catchment area?—They will have to make it much more accurate. That was simply drawn as well as we could.

The witness withdrew.

The Committee-room was cleared.

After some time the counsel and parties were again called in.

Chairman.] The Committee have agreed to the preamble of the Bill. We propose now to go on with the clauses until we come to the place at which it is necessary to introduce any amendments which may be proposed.

The Clauses of the Bill were proceeded with.

Mr. T. W. Russell.] Perhaps you could tell us, Mr. Littler, where the proposed amendments would come in.

Mr. Littler.] In answer to your question, Sir, I think it would be most convenient after Clause 12. Of course that is a section which will have to be dealt with, with the assistance of the Treasury.

The Clauses of the Bill were further proceeded with.

On Clause 3.

Mr. Morrison.] In line 37, are the words "the county cess of those baronies and townlands which are situated within the catchment area." I presume that if a proportion of the barony or townland is within the catchment area and a portion outside, you only levy upon the part inside?

Mr. Littler.] Only on the part inside. It would be most unjust to make it otherwise.

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Chairman.]

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[Continued.]

Chairman.] Do you consider the words of the clause cover that view of Mr. Morrison's?

Mr. Cameron] I think so.

Mr. T. W. Russell.] Could you insert after "townlands" the words "or such parts of those baronies and townlands," so as to make it clear?

Mr. Cameron.] Yes, it can be done.

The Clause was amended.

Mr. T. W. Russell.] I wish to raise the point of confining the taxation of the catchment area to 1 *d.* in the £.

Mr. Cameron.] I do not think that will arise upon this clause.

Mr. Lane.] I think Mr. Russell is right, because if the exact sum is the 37,000 *l.* which is mentioned here, the 1 *d.* in the £. question would come in.

Mr. T. W. Russell.] Then I must raise that, because in my opinion it would practically do away with the entire opposition to the Bill.

Mr. Cripps.] Are words desired to limit the charge to 1 *d.* in the £.

Chairman.] No, to limit the sum of 37,000 *l.* as the maximum to be charged upon the catchment area.

Mr. Pinkerton.] If you limit it to 37,000 *l.* you limit it to 1 *d.* in the £. I would move the insertion of the words "not exceeding 37,000 *l.*"

Mr. Cripps.] That would carry it out as regards drafting.

Mr. T. W. Russell.] As the Bill stands now it reads in this way: "And charging a sum of 37,000 *l.*" Would the charging of any further sum be possible under the Bill as it stands?

Mr. Cripps.] I do not think it would, but it would make it quite clear if the words "not exceeding" were put in.

Mr. Lane.] What I would respectfully suggest to the Committee is that it might be made clear by saying, "charging a sum not exceeding the sum of 1 *d.* in the £. upon the valuation of the said lands, or such other amount as shall not exceed 37,000 *l.*"

Chairman.] We cannot put that in.

Mr. Cripps.] I think the words "not exceeding 37,000 *l.*" would carry it. (This Amendment was therefore inserted.)

Mr. Claud Baggallay.] Before you pass Clause 3, I would call your attention to this point: that the sums which may be charged upon the specially benefited area and the county cess are specific and limited. I would only suggest that it is possible that there might be an inconsistency between this clause and the clause under which the money may be charged, which will provide the compensation, supposing it exceeds in the aggregate 65,000 *l.* I do not say that it cannot be worked all right, but I call attention to it.

Mr. Cripps.] The 8,000 *l.* is "a portion of the estimated cost of the proposed works," and it is so limited in Sub-section 2. Of course we shall have to deal with the compensation presently.

Mr. T. W. Russell.] My Amendment takes the shape of taking out the word "of," and inserting the words "not exceeding."

Chairman.] Have you any more amendments of this Clause?

Mr. Cameron.] No, I have no further amendment.

Clause 3 was passed, as amended.

On Clause 7.

Chairman.] What is the object of introducing the amendments proposed in this clause?

Mr. Lane.] The Board of Works considered that it would be desirable to do that. In reality it will make the charge of interest rather less, but inasmuch as the presentments of the county cess are made at each assize, it was considered that it would be more proper to make it from the date of the advance rather than from what may be a subsequent date.

Chairman.] I think that will be an advantage.

On Clause 8.

Chairman.] What do you say about this Clause?

Mr. Lane.] I have heard the evidence upon this matter. I made inquiry from the Board of Works, and I understand it always has been the habit in any drainage schemes, that similar power of taxation should exist, namely, that other lands in the possession of the same owners and occupiers should be taxed also, but I can give no further reason except that it has been the habit to do so.

Chairman.] As, I understand, the objection to it is this: that there will be a charge upon these lands, all the lands his property at the present time, but by and by a part of these lands deriving no benefit may pass into the possession of someone else, and will be taxed as if they were part of the benefited area?

Mr. Lane.] Yes.

Mr. T. W. Russell.] Is it a matter of security for the recovery of the charge?

Mr. Lane.] I believe it is. It does not increase the amount of the annuity.

Mr. Cox.] Why should they be chargeable?

Mr. Lane.] As a better security to the Board of Works.

Mr. Cox.] What is the land to be benefited?

Mr. Lane.] I understand what the Board of Works has to look to is, to get back the money

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money they lend, and it is not considered unreasonable that a man should give security of all the land he has for the payment of the debt.

Mr. Cox.] Supposing a man should sell the tenant-right of his farm to another man, would the incoming man be also liable?

Mr. Lane.] The land would be liable, not the incoming tenant.

Mr. Cox.] It practically amounts to the same thing.

Mr. Lane.] This is to give greater security to the Public Board of Works. It is for the Committee to consider whether the security should be given; it is because they have a charge not only on the lands specially benefited, which is all Section 8 has to do with, but also a charge upon any other land held by the same occupier, if the Commission think such other lands should be made chargeable for the debt. Therefore, it is an additional security for the principal money.

Mr. T. W. Russell.] Take a farm outside the specially benefited area, which is at present in the possession of the same man as the other chargeable within the specially benefited area: he sells the tenant-right of the farm outside the benefited area, and it

passes into the hands of another person altogether; is it your contention that it passes with it the encumbrance, and that that encumbrance should still rest upon it.

Mr. Cripps.] It would pass with it, the encumbrance after this Act had come into force, the encumbrance would be the first charge.

Chairman.] It would be better to postpone the clause and let the draftsman consider the question.

Mr. Lane.] We will assent to the arrangement to strike out any lands that are not in the district, but with great respect to Mr. Pinkerton, his amendment would hardly carry that out, because if they are within the district they would be taxed already.

Chairman.] I understand the Government will bring up an amendment to the clause.

Mr. Cripps.] We can strike out from the words "they shall" to "chargeable."

Mr. T. W. Russell.] This clause may affect other clauses of the Bill, and it is better that the Government should have an opportunity of considering it.

Chairman.] We had better stop at Clause 8, which is postponed.

Monday, 22nd July 1889.

MEMBERS PRESENT:

Mr. Coddington.
Mr. Cox.
Mr. Morrison.
Mr. O'Neill.

Mr. Philipps.
Mr. Pinkerton.
Mr. Plunket.
Mr. T. W. Russell.

THE RIGHT HONOURABLE DAVID PLUNKET, IN THE CHAIR.

Chairman (to Mr. Littler).] ONE of the Members of the Committee is anxious that some evidence should be given as to the probable improvement in the value of the land, in addition to that which has already been given. Several witnesses have stated that they thought there would be an increase of value of about 5 s. an acre to the benefit of districts; but one of the Members of the Committee, I think, would like if possible to have some further evidence upon the subject. I do not know whether Mr. Gamble could go more into detail upon the question.

Mr. Littler (to Mr. Gamble).] Are you able to do that?

Mr. Gamble.] No, not on the improved value.

Mr. Littler.] That point not being raised by any of the petitions, we have not specially provided ourselves with evidence as to that. I do not know whether there is any evidence on the subject that you could get in London?

Mr. Gamble.] I do not think there is at present. Mr. O'Neil would have given evidence as to that, but he has gone.

Mr. T. W. Russell.] We had Mr. Douglas, the Chairman of the Bann Drainage Committee, and two other witnesses, and all their evidence coincided as to the advantage that would result.

Mr. Pinkerton.] Mr. Gage and Mr. Douglas both gave evidence on that point.

Mr. T. W. Russell.] I should take a tenant farmer as being a much better judge of the value of land than any land agent that can be got.

On Clause 8.

Mr. Littler.] May I, before you do anything else, tell you that there are two alterations, or rather, in point of fact, one alteration, which we propose to make in the Bill. I may mention them now, in order to save the time of honourable Members afterwards. In Clause 8 we propose to take out of the clause in which the Commission makes its award, from line 20, after the word "districts" from the word "and" to the word "chargeable," in the next line, so as to make the charges simply arise on the lands benefited. Then there is a consequent alteration, which is that Clause 16 will naturally have to be struck out.

Mr. T. W. Russell.] That is consequential.

Mr. Littler.] That is consequential.

Mr. Cox.] This is to meet the objections that I raised on Friday.

Mr. Littler.] Yes, to meet the objections made by some honourable Members, and also by one or two of the witnesses.

Chairman.] I think Mr. Pinkerton has another amendment.

Mr. Pinkerton.] Yes, on Clause 9.

Chairman.] The amendment proposed by Mr. Littler is not exactly the same as Mr. Pinkerton's amendment, but it comes to the same thing.

Mr. Pinkerton.] I think it meets my objection.

Clause 8 was passed, as amended.

On Clause 9.

Chairman.] Have you, Mr. Littler, any amendments to propose on the part of the promoters, on behalf of the Government?

Mr. Littler.] No amendments.

After some discussion amongst the Committee, the clauses of the Bill were proceeded with.

Chairman.] On page 7, line 8, the words are "the ordinary term of office of a member of the Conservancy Board shall be six years," and it is suggested that it should be "three years." The remainder of the clause is framed so as to carry out the idea of six years, is it not?

Mr. Lane.] It is.

Mr. Littler.] The experience generally in England of having an election every year is not one that is very much loved by the people themselves either in the case of Drainage Boards or Local Boards, or anything else. A man has hardly had time to find out the duties of his office before, at all events, one-third of those who have found out the duties have or may have to leave.

After some discussion the amendment was withdrawn.

Clause 9 was passed, as amended.

Clause 10 was passed.

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On Clause 11.

Mr. *J. D. Fitzgerald.*] I have an amendment to propose on this clause. I propose to leave out the last three lines of the clause at the top of page 9.

Chairman.] Before you propose that I should like to raise the question of whether the Commission should have the power of embanking. It appeared to me on reading through the evidence carefully that the only result of striking out this embankment part of the work would be to flood certain lands which are really only a small part of the whole scheme, the lands near Carnroe, where the red lines are; and I should say on the whole that by the time the Commission come to submit their proposals to the Conservancy Board, probably all that question will have been thrashed out on the spot, and the people there will be able to see that what they want is done. It is not a question between the catchment area, as such, and the improved districts.

Mr. *Littler.*] This is only an enabling power, and they might hereafter, perhaps, find it desirable to put some amount of banks, and, therefore, the striking out of the power to embank would take from them a discretion which I think it is very desirable that they should have.

Mr. *T. W. Russell.*] Is this the clause which the grand jury of Londonderry object to as to the bridges?

Mr. *Lane.*] No, that is a much later clause.

Chairman (to Mr. *Fitzgerald*).] Will you raise your point now?

Mr. *J. D. Fitzgerald.*] At the end of Clause 8, after the description of the works, I propose to add the following words: "the Commission shall not exercise any of powers of this Act so as to interfere with the passage of eel fry into Lough Neagh." The whole eel fishery depends upon the facility of the eel fry coming up to Lough Neagh; and I put it specifically to Mr. Gamble, when he was examined as a witness, whether there was any objection to a proviso of that sort, and he said no. At Question 86 of the first day's evidence, I said, "Do you see any objection to the insertion in the Bill of a proviso that you shall so construct the works that the eel fry shall not be prevented coming up to Lough Neagh?" and his answer was, "I see no objection to that." I would submit to the Committee that that is a proper thing to insert, and I may say that my instructions are, that on a previous occasion a similar proviso was inserted.

Mr. *Littler.*] Should not that come in the fishery clause if at all?

Chairman.] I think it would be more convenient to discuss this when we come to Clause 28, because, after all, in Clause 28, you can control this immediately if you satisfy the Committee as to the proviso.

Mr. *T. W. Russell.*] Do not the last three lines at the end of the clause give them a full indemnity?

Chairman.] I do not think so if they are controlled by a proper clause afterwards. I may say at once that I am not in favour of doing this.

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The fishery owners have their protection now, and you may give causes of action which may be merely nominal causes, but very embarrassing; whereas, if they suffer a real injury, they will get their damages in the way we propose to provide; but, in any case, I think it would be more convenient to take this when we come to Clause 28.

Sir *Richard Wyatt.*] On behalf of the Irish Society I was about to suggest a similar provision with respect to the salmon fry. If it is distinctly understood that we should have the opportunity of making that suggestion it is perfectly immaterial where it comes.

Mr. *J. D. Fitzgerald.*] There is one other point. At page 9 the last three lines of the clause are: "Save as provided by this Act the Commission shall not incur liability to make compensation for anything done by them in exercise of their powers under this section." That is limiting the right to compensation in some way or other. How it precisely limits it is difficult to say, but it does limit the right to compensation in some way or other, and it is not a usual clause.

Mr. *T. W. Russell.*] If these compensation clauses are going in that will be the provision of the Act under which you will get compensation.

Mr. *J. D. Fitzgerald.*] Certainly, but my point is this: it is an unusual clause, and when this Act comes to be construed by a court of law they will find this provision, and they will ask what force is to be given to it. It is really a proviso cutting down in some way or other the right to compensation, and it is not usual.

Chairman.] I think the court of law would answer that it was aimed at such claims for injury as were not provided for under this Act. If you succeed in establishing in Clause 28 a means of obtaining redress for any injury to your fisheries, then certainly that would be provided by this Act, and would not be affected at all by the words of these last lines of the clause.

Mr. *J. D. Fitzgerald.*] But when power is given to take lands and construct works by an ordinary Act such a proviso as this is never inserted, and why should it be inserted in this Act? My learned friends have suggested to me that the object of it was to save the Commissioners from personal liability. That is a very proper object, but it goes very much further than that; it does not merely save the Commissioners from personal liability, but it cuts down the right to compensation. If it is only intended to save the Commissioners from personal liability if the word "Commissioners" were inserted instead of "Commission," and the proviso was "the Commissioners shall not incur any personal liability for anything done by them under the powers of this Act," that would be quite satisfactory to me, and would meet what I understand is the intention of the promoters.

Mr. *T. W. Russell.*] I was with you at first, Mr. Fitzgerald, but I cannot see the force of your argument now. You are setting up a claim for problematical damages. The other side have consented to that clause being inserted. That

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will be your ground for compensation, and I do not see that you want anything elser.

Mr. *Littler*.] The simple answer to my learned friend is this; my learned friend has urged and we have consented that he is to have certain compensation and he has urged it on the ground that the general law does not give it to him. In exchange for that we say, very good, but now as you are going to put upon us a thing which you say (though we doubt it), will be a certain obligation and a certain appreciable liability, in exchange for that you must make it perfectly plain that when these Commissioners meet to consider whether they shall put the Act into operation or not they shall see what is before them; because in this very neighbourhood we know that a great deal has been promised heretofore which has not been carried out. Go and frighten the Commissioners with a number of undefined terrors and the probability is that this Act will never be carried into operation. But if on the other hand any man who runs may read and takes up the Act and sees this and says, I know the neighbourhood and I know that it will not occur, or if it does occur it will be only so many hundreds of pounds or so many thousands of pounds, he will be willing on behalf of those whom he represents to incur this liability. But have an indefinite liability and see whether there is any chance that the Commissioners will be able to appreciate it. If even my learned friend cannot tell what the effect of it will be, surely the non-legal minds of the Commissioners will not be able to tell what the effect will be, and the only result will be to strangle the whole thing without doing a halfpenny worth of good. My learned friend may criticise my compensation clause as much as he likes, and if that is made wide enough surely that is sufficient.

Chairman.] Whatever objection may be taken by somebody else besides these fishery people, whether salmon or eel fishery people, they certainly can raise no objection to this clause, because their rights are, or will be, safeguarded, I think. But if some person else had petitioned, and had been told, "go about your business, the ordinary law will protect you," he might object to this clause.

Sir Richard Wyatt.] May I venture to make a few observations upon this? I am instructed to very strongly resist this, because the promoters have agreed that we shall be fully compensated for any damage which we may sustain. As a matter of drafting, I invite the Committee to consider this for a moment. You say that Clause 28 is to provide for the compensation which my clients are to receive. But this clause says, "save as provided by this Act, the Commission shall not incur liability to make compensation for anything done by them." Now, Sir, as a matter of drafting, I am quite sure the promoters cannot mean that a court of law, for instance, should be placed in this difficulty, that they should find one part of the Act saying that they shall have no compensation, and another part saying they shall have compensation. If it be the intention of the promoters to protect the Commissioners, then I venture to say that there are hundreds of forms of ordinary clauses to be found in Acts of Parliament, which clearly define how

Commissioners or any public body are to be saved from personal liability; in fact, the general law protects magistrates and others acting judicially from suffering from any act of theirs unless they act corruptly. Under any circumstances, no matter how corruptly they may act (assuming for the sake of argument that they act corruptly, and do us out of our compensation), they are to be indemnified. I venture to say that very few words as suggested by Mr. Fitzgerald would meet this case. If you put in that the Commissioners acting in the discharge of their duties shall not incur any personal liability in the excess of such powers, there can be no objection to that. Then if they act corruptly that is a question for a court of law to settle; but I do respectfully say that there is no precedent for such a provision as this in a *quasi*-public Act of Parliament; first of all saying that there shall be no compensation payable, and then afterwards, in Clause 28, as amended, we find that certain persons are to be compensated.

Chairman.] What is the meaning of saying "as provided by this Act?"

Mr. T. W. Russell.] If the first six words of this section were left I should be with you entirely, Sir Richard, in your argument, but these words govern the clause.

Mr. Lane.] If the Committee will allow me to say so, Section 26 has been altogether overlooked; that gives power to enter upon and purchase land which is defined to include the right of fishery; and it says there in lines 11, 12, and 13, that they are to do everything "for the accommodation of land adjoining those works, making compensation to all persons for any loss or injury occasioned to them by the exercise of such powers."

Sir Richard Wyatt.] I respectfully say that that is an inconsistency; if you say "subject to the provisions of this Act, that is the ordinary course in cases of this kind."

Mr. Lane.] I do not see any objection to accepting those words, but I cannot see what difference they make.

Sir Richard Wyatt.] That is quite a common form.

Mr. Morrison (to Mr. Lane).] Can you explain why they were put in?

Mr. Lane.] If I had drafted the Bill perhaps I could explain. My own idea on reading it was that it was to prevent personal claims against the Commissioners. It was drafted before I came into office.

Mr. J. D. Fitzgerald.] Mr. Littler has not pointed out what value those words are to anyone, and that is my difficulty in the case. If you give Mr. Littler his corrections, the words are of no value to anyone, as he himself admits.

Chairman.] I do not understand Mr. Littler to say that.

Mr. Littler.] I say they are of great value. We have them in this one Act of Parliament everything that a man wants to know about as to this matter.

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Mr. *T. W. Russell.*] Supposing Clause 28 to be passed, and you get your right to compensation under that clause; if this clause was not in the Bill at all, might the Commissioners be proceeded against by anybody for anything that he thought himself damaged by?

Mr. *J. D. Fitzgerald.*] I do not think so, especially if the ordinary clause is put in, exempting the Commissioners from personal liability.

Chairman.] I cannot see the force of that argument.

Mr. *J. D. Fitzgerald.*] I will only say that these Acts dealing with compensation are passed every day, and settled forms have been adopted, and every deviation from those forms except for some reason is extremely dangerous; we do not know where it lands us. It is within your knowledge what difficult questions have arisen in construing the Lands Clauses Consolidation Act, and now by a series of decisions given in the House of Lords, the meaning of those Acts has been pretty well defined. Once you depart from the ordinary provisions, you do not know where you are landed.

Sir *Richard Wyatt.*] I understand that there is no objection to the words "subject to the provisions of this Act."

Chairman.] I think we had better leave the words as they stand now. I have no doubt they have been carefully considered by the draftsman.

Clause 11 was passed.

On Clause 12.

Chairman.] I see that there is a proposed amendment at line 18. I believe there is a clause further on that these moneys are to be provided rateably.

Mr. *Lane.*] Yes.

Mr. *T. W. Russell.*] I suggest to insert after the word "pounds," in line 15, the words "a sum not exceeding."

Mr. *Morrison.*] I suggest that it should read in this way: "Of the sum of 45,000 *l.*, a sum of 8,000 *l.* shall be charged upon the special districts, and a sum not exceeding 37,000 *l.* shall be charged upon the county cess."

Chairman.] I think it would be better to leave it thus: "Of the sum of 45,000 *l.*, a sum not exceeding 37,000 *l.* shall be charged upon the county cess, and a sum of 8,000 *l.* upon the special districts." Is there not a clause which says that, whenever money is required to be spent, it shall be provided for rateably?

Mr. *Lane.*] Yes; but as the 8,000 *l.* will be always less the 37,000 *l.*, I do not think that would make any difference.

The following amendment was adopted: That in line 15, after the words 45,000 *l.*, there be inserted these words: "A sum not exceeding"; and again, in line 16, after words "county cess" and "the words "a sum of" be inserted.

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Mr. *Littler* proposed the following new clause 13: "Provision of money for compensation." "If and so far as the amount of any purchase-money or compensation which shall become payable in respect of any land required by the Commission or the Conservancy Board, or in respect of any loss or injury occasioned by any works executed by the Commission or the Conservancy Board shall not be paid out of the moneys provided by this Act for the cost of the works, the amount of such purchase-money or compensation shall be defrayed in the following manner, that is to say: (1) One-third of the said amount shall be defrayed out of money to be provided by Parliament as a free grant; (2) The Board of Works may from time to time, with the consent of the Treasury, out of money at their disposal for the purpose of loans, advance by way of loan to the Commission or Conservancy Board as the case may be, and the Commission or Conservancy Board may borrow to an amount not exceeding two-thirds of the said amount, and the sums so advanced shall be charged upon the special districts."

Mr. *J. D. Fitzgerald.*] This clause as it stands is limited to damage done by the execution of the works, and does not include damage done by the exercise of the powers of the Act. That, I take it, is an accidental oversight, and I have no doubt the Government would assent to the clause being amended to include that. As an instance of what I mean, next to the Eel Weir at Toome is a lock; if the lock gates were removed, as under the powers given by the Bill they might at any moment be removed, a fresh fish pass would be open which would do most serious damage, and in fact destroy the value of the weir. I quite understand that it is not the intention of the Government that that should be done; but still power is taken under the Act to do it, and that would be an exercise of one of the powers of the Act by which very serious damage might be done.

Mr. *Littler.*] Would not that be a "work executed?"

Mr. *J. D. Fitzgerald.*] It is not a work executed at all.

Mr. *Lane.*] I do not see any objection to putting in the words "the exercise of any of the powers of this Act."

Sir *Richard Wyatt.*] Perhaps I may mention that just as the Committee were meeting, I was going through these clauses with Mr. Cripps, for the promoters, and he had made some alterations in this clause, which perhaps the Committee will allow me to read.

Mr. *Cameron.*] They have not been adopted.

Sir *Richard Wyatt.*] Except that your counsel and I talked them over.

Mr. *Littler.*] As a matter of order I must protest against Mr. Cripps being consulted when I am not.

Sir *Richard Wyatt.*] Fortunately for the learned counsel he is wanted in many places constantly at the same time, and he was not present,

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and his junior was there. Perhaps I had better show the suggested amendments to Mr. Littler.

Sir Richard Wyatt showed the amendments to Mr. Littler.

Chairman (to Mr. Gamble).] Will you attend to this proposal which is being made now?

Mr. T. W. Russell.] Mr. Gamble has given evidence already that it would be dangerous to the fisheries to open the lock gates.

Mr. Littler.] We are content to make the alterations that are made in pencil. There is only one point that my learned friend has raised beyond, and that is, that he says that "lands" under the Lands Clauses Act, does not include fisheries. The interpretation clause of this Act expressly says that lands shall include fisheries.

Sir Richard Wyatt.] That is so: "If and so far as the amount of any purchase-money or compensation which shall become payable in respect of any land required by the Commission or the Conservancy Board, or in respect of any damage, loss, or injury occasioned thereby, by the exercise of any of the powers of this Act, shall not be paid," &c, "In the first part" one-third of the said amount shall be defrayed, and then "the Board of Works may." Would you not say "shall from time to time"?

Mr. Lane.] That is modelled on Clause 12 with reference to the other money.

Chairman.] I think we had better follow the other clause, Clause 12, which we have passed.

Mr. J. D. Fitzgerald.] That word "thereto" I think has got in by mistake. It was part of a larger amendment referring to fishery rights, and that latter part of the amendment was objected to by the Government, and is withdrawn. It is not wanted. If you have the word "thereto" it refers only to the land taken.

Mr. Lane.] I understood that it was suggested by my friend. I did not want it at all.

The word "thereto" was struck out.

The new clause was passed, as amended.

On the further new clause in substitution for Clause 13.

Mr. Lane.] As the Bill originally stood there was only one kind of annuity payable out of the lands specially benefited, namely, annuities for repayment of the loan for the works. Now, there may be also annuities payable out of the compensation fund, and those annuities will become payable at different dates, and therefore it was necessary to put one sub-clause for each.

The further new clause was proposed, as follows:--

"The several lands mentioned in the said schedule settled by the Commission, shall from the day next preceding the date of the award become charged with the payment to Her Majesty of annual rent-charge of four pounds

ten shillings for every one hundred pounds charged on the said lands respectively, for the repayment of any loan for defraying the cost of the works, and so in proportion for every lesser amount, to be payable for the term of 40 years, such rent-charge to be paid by equal half-yearly payments on the first day of May and first day of November in every year, the first of such payments to be made on the first of such days which shall happen after the date of said award. (2.) The said lands shall from the date of each advance become charged with the payment to Her Majesty of an annual rent-charge of four pounds ten shillings for every one hundred pounds charged on the said lands respectively, for the repayment of any loan for defraying the amount of any purchase-money or compensation, and so in proportion for every lesser amount to be payable for the term of 40 years, such rent-charge to be paid by equal half-yearly payments on the first day of May and first day of November in every year, the first of such payments to be made on the first of such days which shall happen next after the advance."

The clause was passed.

On Clause 14.

Chairman.] What is the meaning of the proposed amendments?

Mr. Lane.] There are now two annuities, and we have to take care that the award shall not be confined to one. The object of the other amendment is that the Board of Works called attention to the fact that inasmuch as the annuity is charged upon the lands, there are sometimes great difficulties in proving that the person was in occupation of the lands at the time when the improvement work was done, and therefore they want not to have any complication in reference to the time.

Mr. T. W. Russell.] This seems to bar proceedings after the lapse of two years.

Mr. Lane.] As it stood originally, it barred proceedings against any person except the person who was in occupation of the lands at the time.

Clause 14 was passed, as amended.

On Clause 15.

Mr. Lane.] There is a similar amendment in this clause as regards annuities. The word "such" should be omitted.

Sir Richard Wyatt.] I am instructed to suggest three words which I have shown to Mr. Lane, but he has not had time to consider them. Clause 15 stands thus: "Every such annuity charged upon lands shall take priority of all charges and incumbrances, whatsoever and whensoever made, and of all rent payable out of the said lands, save and except quit-rents and rent-charges." I am instructed to suggest the insertion of the words "fee-farm rents," because that is a perpetual rent-charge, and it is a term which is used in most documents.

Mr. Lane.] If that means the rent that the Irish Society pay for their lands, it does not occur

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to me at present that there is any reason why their rents should be placed in any different position from those of any other person.

Sir Richard Wyatt.] Mr. Lane suggests whether rent-charges would not include fee-farm rents.

Chairman.] I understand that it is to put the rents of the Irish Society on the same basis as quit-rents, which is rather a strong order.

Mr. Lane.] I have no authority to consent to that.

Sir Richard Wyatt.] It is a common term; it does not apply only to the Irish Society.

Chairman.] Not only, but principally, I think.

Mr. Lane.] Then in line 31 the words as they stood were "any Act of Parliament heretofore passed." It was thought when it was looked into that that was rather wide, and therefore what is proposed to be done is to add the words "of the Drainage Acts or the Land Improvement Acts," and to define those in the definition section to show what the particular Acts referred to are.

Clause 15 was passed, as amended.

Clause 16 was struck out.

On Clause 17.

Mr. Lane.] This is to carry out what Mr. Balfour said, it is proposed to leave out the words "so long" at the commencement of the clause down to and including the word "thereon," in the next line; and then in the next line to that again, line 38, to change "such" into "any": so that it would read, "any increase in the value of any land which shall have resulted from the execution of the works," &c.

Mr. T. W. Russell.] Are you quite sure that this carries out Mr. Balfour's intention that no increased value of these lands shall be charged?

Mr. Lane.] The words are mine, but—

Chairman.] That was the amendment agreed to the other day.

Mr. Lane.] Yes.

Chairman.] And you have not altered it since?

Mr. Lane.] No; Mr. Littler read out these words.

Chairman.] The clause as amended will read thus, "Any increase in the value of any land which shall have resulted from the execution of works pursuant to the provisions of this Act shall be excluded in ascertaining the value of such land for the purpose of fixing a judicial rent therefore under the Land Law (Ireland) Act 1881, and any Act amending the same."

The clause was passed, as amended.

On Clause 18.

Chairman.] What is the reason of the amendment proposed by the Government on this clause?

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Mr. Lane.] There are two sections, one of which gives certain powers of sale for the purposes of raising the annuities; and having regard to other powers of sale which have come into force since that Act of Parliament was passed, the Board of Works do not think it necessary to have these powers put in. As regards the other section it is in consequence of some difficulties that have been raised in the case of the Attorney General v. Ireland. Some of the words in that section appeared to make the charge rest upon the tenants' interest in the holding instead of upon the land itself, as it is intended by this Act it should be.

Clause 18 was passed, as amended.

Clauses 19, 20, 21 and 22 were passed without amendment.

On Clause 23.

Chairman (To Mr. Lane).] What is the object of the amendments proposed on this clause?

Mr. Lane.] The object was to make clear what was intended before. It was suggested that the words contained this ambiguity: that they might have obliged the Government to keep copies of all their schedules, maps, or plans, and to sell them for half a-crown; and the intention is to limit it to the maps.

Clause 23 was passed, as amended.

Clauses 24, 25, 26, and 27 were passed, without amendments.

On Clause 28.

Chairman.] What are the amendments that you have agreed to insert, Mr. Littler, to meet the views of the fishery owners?

Mr. Littler.] We stand by the clause as it is.

Mr. J. D. Fitzgerald.] The first amendment that I should propose in this clause is this: At line 40, page 15, after the word "to" to insert the word "construct any work," so that it would read in this way: "Nothing in this Act shall authorise or empower the Commission or the Conservancy Board to construct any work, make any bye-law, or do any other act or thing which shall cause any permanent or injurious alteration," &c. I assume that it was intended to include that in the words "do any other act or thing." But you are fully aware of what is called the *ejusdem generis* doctrine, and if you have general words coming after a reference to a bye-law they will be construed in a court of law to mean something similar to the making of bye-laws; and therefore, as a matter of precaution, I ask to have the words inserted.

Mr. Littler.] It is a most ingenious proposition of my learned friend's. It is intended to be *ejusdem generis*. My learned friend with one breath asks for compensation if we do him mischief, and with the next he says that we shall not do it. If my learned friend had not asked for compensation I might have understood his coming and asking to restrain us from doing any work. Which does he want? I have elected to pay him compensation,

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tion, and therefore if I do work which does him injury, it is quite a different thing from my passing a bye-law which does him injury; because, if I passed a bye-law which did him injury, he certainly would not get compensation for it. When these bye-laws are submitted to the superior authority, which I presume will be in Dublin, the Secretary for Ireland (here it would be the Secretary of State for England) it would be immediately a reason for refusing to allow the bye-laws. This is a direction as to the class of bye-law which the allowing authority is to permit. It is intended to be *ijusdem generis*. You authorise us by this Bill to do these acts and to make these works. If they cause mischief that would otherwise be illegal, we must compensate for it.

Mr. J. D. Fitzgerald.] I can only say that that is an entire change of front on behalf of the Government, because the case before the Committee has been that no injury will be done to any salmon fishery. It was contended that this 28th clause was inserted for that purpose, and being for that purpose, imperfect as it stood, I propose this alteration. But if it is merely understood that for any damage done, permanent or otherwise, the persons injured are to be compensated, of course the alteration does not become of much importance.

Mr. T. W. Russell.] I think the amendment would render the whole Clause 28 nugatory.

Chairman.] I do not think that we can accept that proposal of yours, Mr. Fitzgerald.

Mr. J. D. Fitzgerald.] I do not press it after the suggestion of my learned friend Mr. Littler. All that I want to secure is, that the right to compensation is clear, because, as it now stands, it might be said that any permanent injury is *ultra vires*, and not the subject of compensation, and then what position are the lessees in?

Chairman.] The position of the lessees will be that, if they take legal action, a fund has been provided to compensate them. The position that the Government are in is this: they say we do not believe that we shall do your fishery a bit of damage, but we prefer to give you an opportunity of recovering damages, and provide a fund for paying you in case our calculations are misplaced.

Mr. J. D. Fitzgerald.] I do not press the amendment after what has been stated.

Chairman.] Of course the Act of Parliament will have to stand upon its own words when it is passed.

Mr. T. W. Russell.] Who is to decide what shall or shall not cause any permanent injury if you do not allow the works to be constructed?

Clause 28 was passed.

On Clause 29.

Mr. Morrison.] Why was this special saving put in?

Mr. Lane.] It was copied from an Act of the 21st of Victoria as to the Bann drainage. There

was a clause put in there to protect the then Marquis of Donegall, and the Countess of Shaftesbury asked to have a similar clause put in to this Bill.

Sir Richard Wyatt.] May I ask whether you have finally gone through Clause 28?

Chairman.] Yes.

Sir Richard Wyatt.] I am in this awkward position: I have two counsel, but they are both engaged in other rooms. There are some amendments that I should like to propose to Clause 28, and what I would respectfully ask is that Clause 28 should be postponed.

Chairman.] I cannot go back on Clause 28.

Sir Richard Wyatt.] Then I am afraid that we must give the promoters trouble at a subsequent stage.

Chairman.] I cannot help it. The matter was fully argued by Mr. Fitzgerald.

Sir Richard Wyatt.] I am for the Irish Society, and have no interest in eels. They are very good things, I daresay, but we have salmon.

Chairman.] The clause applies equally to the one or the other.

Sir Richard Wyatt.] It is only in Sub-section 2 that I desire to have an amendment inserted.

Chairman.] I am extremely sorry that we were deprived of the assistance of your counsel; but we have passed Clause 28, and we cannot go back upon it now.

Sir Richard Wyatt.] This is a court of equity.

Chairman.] We are now dealing with the Countess of Shaftesbury.

Sir Richard Wyatt.] I only want to include salmon as well as eels; that is all; and that I presume the promoters would not object to.

Mr. Morrison.] You have a salmon fishery and an eel fishery.

Sir Richard Wyatt.] Not in part 2.

Mr. Lane.] We do not know what the dates are for the salmon, but they would not be the same as for the eels.

Sir Richard Wyatt.] I am quite sure that the promoters do not desire to object to any reasonable amendment.

Chairman.] Of course if it is only a formal thing it can be easily inserted at a future time, but I am afraid that we cannot go back.

Mr. Littler.] If there is anything that Sir Richard will show to Mr. Cameron, and will show that it is a mistake, with your assistance, Sir, we will put it in hereafter.

Sir Richard Wyatt.] As I am particularly desirous of saving the time of the Committee, I went through it with the junior counsel, and they said that they were quite content.

Chairman.] I do not know how far my powers extend in that way, but so far as they do extend I would

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I would be anxious to meet the convenience of counsel on both sides.

Mr. *Little*.] We will take no technical advantage of Sir Richard; but, so far as I can gather, it is rather a matter of substance, and if so, I do claim my right of going on.

Chairman.] Of course if it is a matter of substance that is a different question; but if it is only a matter of form, I shall be very glad to assist in any way I can.

Sir *Richard Wyatt*.] I think you will say, Sir, that it is quite consistent with the other parts of the Bill (*handing the amendment to the Chairman*).

Chairman.] I could not give an opinion off-hand. If it is a matter of form upon which you can agree with the counsel for the promoters, I shall be very glad to do anything I can to set it straight afterwards; but if it is a matter of substance—

Sir *Richard Wyatt*.] Do you think that it is a matter of substance?

Mr. *T. W. Russell*.] It simply adds salmon to eels, and puts in the different dates for salmon.

Mr. *Little*.] So far as I can understand it I should object.

Chairman.] I cannot assent at present, but I am sure that the counsel for the promoters will do what is fair. Perhaps you will settle later on with them, but I cannot go back upon that at this moment.

Mr. *T. W. Russell*.] If it had been proposed in order I see no difficulty in doing for salmon what we have done for eels.

Mr. *Lane*.] The engineer has said that that clause can be put in as regards the dates for eels, but he has not had submitted to him the dates for salmon.

Mr. *T. W. Russell*.] You had better bring up a new clause.

Sir *Richard Wyatt*.] I can bring up a substantive clause. You know me I hope too well to suppose that I would hold out anything in the shape of a threat or give any unnecessary trouble; and, therefore, I am anxious not to bring up an amendment, but I will bring up a substantive clause.

Clause 29 was passed.

Mr. *J. D. Fitzgerald*.] If you will allow me, Sir, to bring up a substantive clause dealing with the compensation, that will dispose, so far as I am concerned, of the question of compensation for my fishery. The provisions of the Act as they stand, do not give compensation in the case of injury, which we apprehend, and it is this: at present the entrance to Lough Neagh from the Bann is closed by a weir, over which the water flows. There are no sluices in that weir. Mr. O'Neil's fishery consists of two eel weirs, which are situated, one immediately below the Toome Weir, and another some little distance further down the river. For the purpose of fishing at this eel weir of Mr. O'Neil's, a current in the river is necessary, and now that current

he has for stretching his nets; and for the very reason that a current is necessary, it is impossible to construct a weir which can be effectively used in Lough Neagh itself. The best fishing months in the year are the months of September and October, in the autumn floods, and the only fishing that can be carried on in Lough Neagh at the present time is fishing from boats with seine or drawn nets, and for the purpose of carrying on that fishing effectively, it is necessary that the water should be low. What the promoters propose to do is this: they propose in the Toome Weir, which keeps the water in Lough Neagh, to construct a series of sluices, and they propose to keep those sluices open whenever the water is above the summer level, and thereby practically all through the fishing season to keep the level of the water in Lough Neagh at the summer level. The effect of that would be two-fold. In the first instance, it would create a current at that end of Lough Neagh by having those sluices constantly open, and the effect of creating a current there, will be to enable a weir to be erected in Lough Neagh. The ownership of the soil of Lough Neagh is either vested in or is claimed by Lady Shaftesbury, and if her claim is good, she will be able to erect a fishing weir in Lough Neagh, right in front of the weir in the Bann now possessed by Mr. O'Neil. The second effect of it would be this: that at the present time during the fishing months, the water in Lough Neagh is so high, that practically a net fishery cannot be effectively carried on; but if the water in Lough Neagh is kept to the summer level, as Mr. Gamble told us, or as Mr. O'Neil told us it was proposed to do, it will be sufficiently low to cause the net fishing to be carried on effectively during those months. What Mr. O'Neil apprehends, and what his lessee also apprehends, is this: that the effect of those two things, first, the creation of a current, and the possible erection of a weir; and secondly, the reduction of the level of the water, and consequent facility for carrying on the net fishing, will be, that the amount of fish coming to his weir will be very largely reduced. It naturally follows from that that the amount of eels taken by him would be very considerably reduced, and the value of his weir considerably reduced in consequence. It is a question of considerable importance to Mr. O'Neil. He has what is in fact a perpetuity lease of this fishery, which produces him a profit rent of about 2,000 £. a year. It is also very important to his lessee, who pays that rent, and expects to make a profit out of it. As the Bill stands, if the injury which they apprehend is done to them, it is at least arguable that that they will get no compensation at all; and if I satisfy the Committee, as I think I can, that that apprehension is a reasonable one, I submit that the provisions of the Bill ought to be so framed, that if they can establish that damage has been done to them, for that damage they shall be compensated. I should like upon that point to call Colonel Bruce, who is the lessee of the fishery.

Mr. *Little*.] Before my learned friend does that, I would point out that the weir which he claims the advantage of is one which was not constructed by Mr. O'Neil, but was constructed by the Public Works Commissioners; and he is

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now proposing if we alter that which has been done out of the public money at the public expense that he is to have compensation. I object to any witness being called upon such a subject as that. He has had the advantage for all these years of a certain thing which was not done by him for the protection of his salmon, but for entirely different purposes for which it has failed; and having had this advantage for all these years, he is now claiming to have a special clause put in to compensate him for the public taking away what was erected at the public expense, not in order to develop Mr. O'Neil's property, but for an entirely different object, viz., to drain the Bann. Surely, Sir, on that you will not hear evidence at all.

Mr. J. D. Fitzgerald.] It cannot make any difference to the right to compensation by whom the weir was originally erected. I am speaking of the Toome weir, not of the fishing weir; the weir which separates Lough Neagh from the River Bann. That weir is there now, and Mr. O'Neil and his fishery have had the benefit of it since it has been erected. His lessee has taken his lease upon the faith of that weir being maintained as it is now. Except under the powers of this Act no alteration can be made in that weir.

Mr. Littler.] I beg your pardon. Sluices can be put into it to-morrow.

Mr. J. D. Fitzgerald.] If so, that does not come within the provisions of my clause. I am not aware that any sluices are proposed to have been put into it.

Mr. Littler.] Sluices ought to have been put into it from the beginning, if it had been properly constructed.

Mr. J. D. Fitzgerald.] All that I ask for is protection from damage done under the powers of this Act. If Mr. Littler is correct in saying that there is power now to make these sluices then these sluices will not be made under the powers of this Act, and I shall not be entitled to any compensation for them. That weir has stood in its present position for some thirty years, and so far as I know it can only be altered under the powers proposed to be taken by this Bill. If the alteration of the ordinary flow of the water does affect Mr. O'Neil's fishery, and damages it he ought to be compensated for it, and that is all I ask. With your permission, Sir, I will call Colonel Bruce.

Mr. Lane.] I understand Mr. Fitzgerald to say that two things might happen if this clause was put in; one that somebody might erect a weir in front of his; another, that persons might fish with nets in a way different from what they did before. If these persons should have a right to do so by reason of its being easier for them to do that that would not be a matter for compensation; but surely the lowering of the water could not be done under that Act, but by somebody else, and if so, those are the persons who ought to pay the compensation.

Mr. J. D. Fitzgerald.] The point that Mr. Lane is raising is the exact point that I was apprehensive of. He is suggesting that in law the

damage is too remote; but whether the damage is too remote in law, or not, it is damage all the same. It is no compensation to Mr. O'Neil to be told when his fishery is reduced to half its value that the damage is too remote and that he cannot recover compensation. The suggestion that Mr. Lane has made is precisely the difficulty that I fear. Under the Bill as it stands it is at least arguable that the damage would be too remote, and that, therefore, no compensation would be given to Mr. O'Neil for this damage.

Mr. Littler.] Do I correctly understand that your clause is to give a right of action which does not exist now?

Mr. J. D. Fitzgerald.] Not a right of action; a claim of compensation.

Mr. Littler.] A right of action in place of a right of compensation which does not now exist.

Chairman.] As I understand, Mr. Fitzgerald, you do not deny that there is at present a power of putting sluices into this weir. When the Act was originally passed that weir was not put there to give a benefit to Colonel Bruce's fishery, but for another purpose altogether; but the weir being there, and there being no doubt the power to put sluices into it given to those who constructed the weir for a different reason, you ask us now to put in a clause which will give him practically a right of action against the Commissioners if they proceed to give effect to the right which they now have; is that so?

Mr. J. D. Fitzgerald.] I do not understand that they have any such power. Mr. Littler has suggested it, but I have not seen any Act of Parliament which confers it.

Mr. Littler.] I say unhesitatingly that the sluices ought to have been put in; they might have been put in at any rate.

Mr. J. D. Fitzgerald.] Mr. Littler says many things unhesitatingly, but I should like to see the Act of Parliament which gives the power, because no riparian or public body has any power to interfere with the ordinary course of the flow of water, and when once a work is erected under an Act of Parliament that forms the ordinary flow of water over that weir. If there is any power to put a sluice in that weir it must be under Act of Parliament, and if so let that Act of Parliament be produced.

Mr. T. W. Russell.] Is it your case that anybody might put a weir in front of Mr. O'Neil's weir?

Mr. J. D. Fitzgerald.] My case is this, that no one can put a weir in the River Bann. Mr. O'Neil, as I understand, has the exclusive right of fishing in the River Bann between Lough Neagh and the Little Lake, or somewhere about that. At the present time the owner of the soil of Lough Neagh, might put up a fishing weir in Lough Neagh; but owing to the way in which the water is kept up by the weir for all practical purposes that is impossible. Once you open these sluices and create the necessary current at the foot of the lake a fishing weir becomes possible.

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Mr. T. W. Russell.] In Lough Neagh itself?

Mr. J. D. Fitzgerald.] In Lough Neagh itself, not in the River Bann. The distance between the end of Lough Neagh and Mr. O'Neil's fishery is very short indeed, not more than 500 yards. Mr. O'Neil's first fishing weir is about 500 yards from the Toome Weir, at the end of Lough Neagh. If they exercise the powers of this Act to, in fact, enable a person to create a second weir which will catch the fish before they come to Mr. O'Neil's weir, it is no answer, in a tribunal of this kind, which does equity, and which will not give exceptional powers unless equitable provision is made to compensate those who suffer, to say, You have no right of action at law, because the damage is too remote. Over and over again provisions have been inserted in private Acts of Parliament dealing with rights for the very purpose of protecting persons who have no right at law. That is all I ask with regard to Mr. O'Neil. I may say that a somewhat similar question arose with regard to Lough Foyle, some years ago, in a Bill in which I had the honour to be counsel, a Bill promoted by the Londonderry Port and Harbour Board. It was suggested that the works which

they were about to create would cause a change of the current in Lough Foyle, and that the result of the change in the current would be that the salmon, instead of running up up along the bank in the way they were accustomed to run, would take a different course, and that the result would be to damage the fishery very much indeed. The Irish Society petitioned against the Bill on that ground, and the difficulty was met by inserting a clause in the Bill enabling them, if they found that their fishery was damaged, to change the position of their nets, and to put their nets down in a new position. That shows the very kind of thing that I suggest here, which is not actionable at law, but which has been the subject of consideration in Parliament, and has been provided for by a special Act; and I do not think that in principle there is any difference between the case of the Irish Society under the Londonderry Act and the case of Mr. O'Neil before this Committee. I ask that he should be placed in such a position that if he is able clearly to substantiate the damage that is done to him that damage should be compensated.

Mr. JOHN GEORGE GAMBLE, re-called.

Mr. Cox.

880. Do you think such a contingency probable as that the flow of the stream from Lough Neagh would be so strong that it would be possible to set fishing-nets outside in the lake?—I hardly think so; but I am not very specially acquainted with the eel fishing.

881. I do not know very much about it, but would not the only current required be a current to force the tail of the net away from the mouth and give it a flow down?—The Conservancy Board certainly would not allow any weir to be placed there so as to restrict the current towards the sluices.

Chairman.] It appears to me that the position is this as regards Mr. O'Neil: that whatever he fears at present is the removal of a benefit which he obtained by some previous Drainage Act being put into force. As regards his lessee, of course if it could be shown that the lessee took this lease with any statutory authority for the belief that this benefit would be permanent, I do not know whether he would have a remedy against the Government or against the Conservancy Board.

Mr. Littler.] He has that Act of Parliament before him, and here is Section 53 of the original Act, 5th and 6th Vict. c. 89, "And be it enacted that it shall be lawful for the said Commissioners to contract with or employ such contractors, surveyors, agents, and workmen as they shall think fit, and to make and execute all such works as shall be described in the maps, plans, and sections, hereinbefore mentioned, or such deviations therefrom, or such other works as they shall deem necessary for effecting all or any of the purposes of this Act, and

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for such purposes to enter into and upon any land whatsoever, and to widen, straighten, deepen, divert, scour, or cleanse any river, stream, drain, brook, pool, or watercourse running through such land, and to make open and cut in or upon the same any new watercourse, side cut, ditch, or drain, and to alter or remove any bank, sluice, floodgate, lock, drain or tunnel, and to make or erect any wharf, landing-place, pier, quay, harbour, bank, sluice, floodgate, lock, lock-house, or other building, drain, tunnel, towing-path, or other works necessary for drainage or improvement of the navigation, and to dam, bar, and stop up with any weir or dam any river, brook, pool, stream or watercourse, and also to make upon such land any embankment against the sea or any lake, river, stream or watercourse, and to put and place on such land any piles, stones, earth, soil, or other materials for the purposes of the works or for the more effectual protection or defence of such land, or for the better conveying of water from the said land into the sea, or into any river, lake, stream, or watercourse, and also to form any dam, and to erect any sluice, hatch, or lock in any river, lake, stream, or watercourse for the purpose of supplying water to any mill or factory," and so on. Those words are as wide as they can possibly be.

Mr. J. D. Fitzgerald.] Those persons were with regard to existing works, but they do not give you any power after a weir has been standing for 30 years, as this has, to alter it. However, that may be debatable; but that does not meet my point in the least, because what I say is that if it is done in the

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Mr. GAMBLE.

[Continued.]

the exercise of the powers of this Act, which the Committee are asked to pass, if it turns out that the exercise of the powers of the old Act enable them to do so, then I admit that for the exercise of those powers I must relegate it to the old Act; but I ask to be safeguarded against damage resulting from the exercise of any powers of this Act.

Chairman.] It might be, in a certain sense, under the powers of this Act, and still it would be only in consequence of powers given in a previous Act, and I cannot see that there is any equity for compensation for taking away that which was incidentally conferred upon this gentleman, and has been enjoyed by him for many years under another Act, and for which he has paid nothing.

Mr. J. D. Fitzgerald.] Would you allow me to call a witness who thoroughly understands this matter, and I think he will be able to satisfy you that is so.

Chairman.] I have no doubt he could satisfy us that it was a very valuable thing, this benefit which had been created for him; but that is not the point. I do not think that you can press the matter further, Mr. Fitzgerald.

Mr. J. D. Fitzgerald.] Of course if the Committee have come to that conclusion, I am indisposed to take up their time, but Colonel Bruce's view is this—

Chairman.] We will clear the room.

The Committee-room was cleared.

After some time the counsel and parties were again called in.

Chairman.] The Committee have considered the argument which has been very ably submitted to them by Mr. Fitzgerald, in support of the claim of Colonel Bruce, and they cannot admit that there is any such case established as would justify them in putting into the Bill the proviso suggested by Mr. Fitzgerald. If Colonel Bruce had anything to say in evidence which would go outside of the argument advanced by Mr. Fitzgerald, of course we should be very sorry to shut his mouth or prevent his saying it; but, assuming that his case has been fully stated by Mr. Fitzgerald, we cannot yield to his argument, and on that ground we do not think it necessary to go into the evidence by which he would have supported the argument put forward.

Mr. J. D. Fitzgerald.] The only thing is that, while I was outside, Colonel Bruce informed me of what I was not aware of before, viz., that he is a member of the existing drainage board, and, so far as he knows, they have no right whatever to interfere with the sluices.

Mr. Littler.] I object to that. Colonel Bruce cannot know more than the Act of Parliament.

Mr. J. D. Fitzgerald.] And he says that no such proposition has ever been brought before the board.

Chairman.] That may be, but, as Mr. Fitzgerald knows very well, that does not affect the force of his argument.

Clause 29 was passed.

Sir Richard Wyatt.] I understand that the manuscript clauses will be brought up at the end.

Chairman.] Yes; because, as I understand, should your amendment be adopted, it can be shifted into its proper place.

On Clause 30.

Mr. Morrison.] Where will the meetings be held, at Coleraine?

Mr. Lane.] That will be for board itself to settle.

Mr. Morrison.] I think 15 s. is excessive, because they have no bedroom expenses.

Mr. Cameron.] They do not get anything else. These are the entire expenses of the Conservancy Board.

Mr. Lane.] I think that is the lowest scale the Government ever gives.

Chairman.] I believe a member of the board gets no payment of any kind.

Mr. Lane.] None whatever.

Clause 30 was passed, as amended.

Clauses 31, 32, and 33 were passed without amendment.

On Clause 34.

Mr. Lane.] This amendment was to obviate the objection of the Lough Neagh Drainage Board. The section gives power to make and construct a drain through a neighbour's land, in order to carry off water from him, and that if that drain benefited him to some extent, he ought to pay for it instead of being compensated for it. It is for the Committee to say whether they will adopt that principle or not. As the clause stands at present, it gives me power to go upon my neighbour's land to make a drain to carry off water from my land to connect it with the drainage work under the Act. The Lough Neagh Drainage Board suggested that it was not fair that if the drain did the man through whose land I made it any benefit, he should not also pay some of the cost of construction. It seemed reasonable that if he benefited by it he should also partly pay for it. I think in addition to the amendment, the words "and also for the privilege aforesaid" in line 15 should be left out. That is a consequential amendment.

Clause 34 was passed, as amended.

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Mr. GAMBLE.

[Continued.]

On Clause 35.

Mr. T. W. Russell.] This is certainly a very sweeping clause. It is the clause which the Grand Jury of Londonderry referred to. Their objection is that it gives to the Lord Lieutenant, of course acting upon the recommendation of the Commission, the power to take down all the bridges in the county if the Commission think it necessary to do so, and to rebuild them at the expense of the county.

Mr. Lane.] Where it is necessary or desirable for the purpose of carrying out the Act.

882. Chairman (to Mr. Gamble).] What do you say upon this point about the removal of the bridges?—It is in accordance with the recommendation of the Royal Commission.

Chairman.] The grand juries of these counties are very much alarmed by it.

Mr. Lane.] Perhaps I may point out that the expense of every bridge, if it is taken down under this clause, will not be thrown upon the county cess, because there are limitations in Sub-clause 3 which provides that: "If the removal or alteration of any such bridge was, in the opinion of the Lord Lieutenant, rendered necessary by reason of its having been originally improperly constructed, or subsequently altered, so as to be an impediment to the natural discharge of the water, having reference to the state of the river or stream at the time of the original construction or subsequent alteration of the bridge, as the case may be, or if it was in the opinion of the Lord Lieutenant in a ruinous or insecure condition, the expense of the alteration or removal and rebuilding thereof, in pursuance of this section, shall be charged on the county cess of the county." In other words, it is clear that the county, by reason of having improperly constructed it in the first instance, or not having kept it in repair, will have to meet the expense.

Chairman.] What means will the county have of representing their case to the Lord Lieutenant before he acts upon this?

Mr. Lane.] I do not know whether there is any provision for that; but I should say that there will not be the slightest objection to putting in a provision.

Chairman.] Is it on the motion of the Conservancy Board that he is to do it.

Mr. Lane.] The Commission are to do it with his previous consent; and they need not replace in every case an old bridge by a new one, but only where it is necessary that a new bridge should be constructed.

Chairman.] The only question in my mind is whether some machinery ought not to be provided for any person who took exception to the action taken by the Lord Lieutenant.

Mr. Morrison.] I suppose the Lord Lieutenant means the Lord Lieutenant in Council.

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Mr. Lane.] It does not mean the Lord Lieutenant in Council, but he would be advised.

Clause 35 was passed.

On Clause 36.

Mr. Claude Baggallay.] Might I suggest that it would be better if this clause were introduced by the words "subject to the provisions of this Act?" Otherwise there might possibly be a conflict between it and Clause 28. If you look in Sub-clause (a), in runs in line 16, thus: "placing or permitting to remain any mill-dam, navigation weir, fish weir, eel weir, or other obstruction in any such watercourse without the consent of the Commission or the said Board."

Mr. Lane.] I do not think it will be necessary to discuss this: I do not think there can be any objection to it.

Chairman.] The draughtsman says that it cannot affect the interpretation of the clause one way or the other.

Mr. Claude Baggallay.] I should like, if the Committee will put them in order to make it absolutely clear, to put in the words "subject to the provisions of this Act," in line 8.

Mr. Lane.] Every section is subject to every other.

Chairman.] I do not think it is necessary, because, of course, the Act must be read all together, and it would seem to single out this particular clause from all the others. I think we had better not do it.

Mr. Claude Baggallay.] It is usual, I think.

Mr. J. D. Fitzgerald.] It is usual, and that is the reason why we ask for it. The two sections will be contradictory unless you insert in the second section: "subject to the provisions of this Act," because the rule of interpretation is that where there are contradictory clauses in an Act the latter one over-rides the former one.

Mr. Cameron.] There is no contradiction whatever.

Sir Richard Wyatt.] In a Bill of this Session, where I appeared for the Admiralty, the War Office, and other public Departments, the Medway Conservancy Bill, wherever the provisions were likely to clash with those introduced for the protection of the public Departments they were introduced with the words, "subject to the provisions of this Act." The practice, I may say, is quite so.

Mr. Claude Baggallay.] If you look at Clause 28 it says: "Nothing in this Act shall authorise or empower the Commission or the Conservancy Board to make any bye-law, or do any other act or thing which shall cause any permanent and injurious alteration in, or interference with any salmon weir."

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Mr. Lane.] There they could not do it.

Mr. Claude Baggallay.] But under Clause 36 it says: "The Commission, or the Conservancy Board, after the works have become vested in that Board, may respectively from time to time make, alter, and repeal bye-laws (a) for prohibiting persons from throwing, or causing, or suffering to fall or pass into any watercourse in respect of which any works have been commenced, or executed, or are maintained by the Commission, or the said Board, any weeds, stones, soil, or other solid matter calculated to cause an obstruction therein, or placing or permitting to remain any mill-dam, navigation, weir, fish-weir, eel-weir, or other obstruction." So that the one clause says they must not, and the other clause says they may.

At this point Mr. Littler re-entered the room.

Mr. Littler.] I think my learned friends have been using double million power microscopes in looking at this Bill. The Commission or Conservancy Board may alter and repeal bye-laws, it can be only for the purposes of this Act, and I really do object to the insertion of these unnecessary words.

Chairman.] We do not think we should introduce these words. Is there any other amendment to this Clause 36?

Clause 36 was passed.

Clauses 37, 38, 39, and 40 were passed, without amendment.

On Clause 41.

Chairman.] It is proposed to strike out the word "owner" throughout this clause, and to insert the "proprietor." What is the meaning of that?

Mr. Lane.] The amendment is proposed because "proprietor" is the word used in the Drainage and Improvement of Land Act (Ireland), 1863. It is proposed to add at the end of this clause the following paragraph. "All the references in the said Acts or in this section to a proprietor shall, if need be, be deemed to include a reference to the successors, heirs, executors, administrators, and assigns of other persons claiming through or under such proprietor."

Clause 41 was passed, as amended.

On Clause 42.

Chairman.] It is proposed to insert a rider; will you explain what the rider is?

Mr. Lane.] The Upper Bann navigation is to be transferred to the Lower Bann Navigation Trustees. It was proposed originally only to keep up the navigation in Lough Neagh. There is a little bit of canal where the boats discharge, and the object of these words really is to keep up the navigation in that little bit of canal con-

necting Lough Neagh and Lough Beg (describing it on the map).

Mr. Claude Baggallay.] Might I call your attention to lines 35 to 38 on page 23 of the Bill. There it is provided that "all property, choses in action, powers, rights and privileges of any such corporation or board shall be transferred to and shall at first vest in and be exercisable by the Commission, and when the works become vested in the Conservancy Board shall vest in and be exercisable by that board." The purport of the words that we propose is that they shall vest in and be exercisable by them subject to the provisions of any Act or Provisional Order relating to or affecting them. The words that I have to propose are these to come in at the end of line 38: "And when the works become vested in the Conservancy Board shall vest in and be exercisable by that board, and shall vest in and be exercised by such board subject to the provisions of any Act or Provisional Order immediately before such vesting relating to or affecting the same."

Mr. Lane.] That would be entirely wrong, for this reason: it is not intended to keep up the navigation of more than a small part of Lough Neagh, and that would oblige the whole of the navigation to be kept up; and in addition to that it would be repugnant to the clause which the Committee have just passed. The effect would be to oblige all existing bodies to keep up the existing navigation which the Bill proposes to abolish after you dissolve them.

Clause 42 was passed without the amendment proposed by Mr. Claude Baggallay.

Clause 43 was passed.

On Clause 44.

Mr. J. D. Fitzgerald.] In the first line of Clause 44, after the words "in this Act," will you allow me, Sir, to put in "and for the purposes of this Act in the Acts incorporated herewith." The object of that is this—

Mr. Littler.] We do not object to that.

Mr. J. D. Fitzgerald.] I assume that you do not. The Lands Clauses Act does not include any fishery rights at all, and it has been intended to provide for that by inserting a definition of "lands" at line 21 of this clause. But in that definition "lands" is declared to have "the meaning attached thereto in the Lands Clauses Acts, and includes any estate or interest in land, and also any right of water, right of fishing, right of way, or easement"; and that only extends to this Act, and not to the Acts incorporated therewith.

Mr. Lane.] In substance I have no objection to the alteration, but I think it would come in more readily at line 22, after the word "land." "In this Act and in the said

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said Acts for the purposes of the said Act."

Mr. J. D. Fitzgerald.] If you please.

Sir Richard Wyatt.] Now this clause, Sir, I have shown to the learned Counsel for the Promoters, and they assent to it.

Mr. Lane.] Yes, that is right.

Clause 44 was passed.

Mr. Pope.] I understand that there is some little difference between my learned friend and ourselves as to what should be covered by the compensation which he admits that we ought to receive. I must recall to the minds of the Committee (and I do so with some surprise I confess) what took place on Friday, when I dealt with this matter before. You will remember, Sir, that I commenced and pointed out that the question of the sufficiency of the compensation would depend upon whether it was restricted, as I say it is in the Bill, to the execution merely of works or to the powers which are given to Section 11 of the Bill; which go beyond the construction of works, even to the abandonment of the navigation, and the necessary consequence. I think I may as well read exactly what took place. You will find it upon page 41. I said "The only question that I will ask my learned friend is whether he has considered the extent to which the compensation is to apply. He used the word 'works.' You know that by Section 11 of the Bill a great deal may be done by the new board (we do not know what, and nobody knows what; of course it will be in their discretion) which might be more injurious to the fisheries than the construction of the new works. For instance, by Section 11, the Commissioners are to have the power of varying the embankment and works, or of deepening, widening, and straightening, embanking, and otherwise improving the water-courses or outfalls, and of removing any mill dam, navigation weir, fish weir, ell weir, sluice, or other obstruction, to any watercourse, and so on," (I was then reading the powers which were to be given under Section 11) "and of making any new watercourse, or outfall for water, and of erecting any new embankment; and further, they may, if they choose, provide for the abandonment of the navigation altogether. If my learned friend means compensation for any damage resulting from the execution of the powers of the Act" (obviously referring to the execution of powers that would be given by Section 11) "then, I think, I should be content, because if it should be necessary —" Then my learned friend, Mr. Littler, interposes, and says, "I will relieve my learned friend Mr. Pope. I think that ought to be so." Then I said, "Then in principle we are agreed, and, therefore, I do not intervene on the preamble." "Our desire," says Mr. Littler, "is not to put in an illusory clause but an honest one," whereupon the matter dropped. Now, if you will kindly refer to Clause 26 of the

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Bill which I understand my learned friend declines to amend or to supplement it is simply this: "The Commission and the Conservancy Board may for the purposes of this Act, from time to time purchase and acquire any lands within the catchment area, and employ such contractors, surveyors, agents, and workmen as they think fit, and by themselves and their contractors, surveyors, agents, and workmen, enter upon any land, and proceed with any works upon such land which they are authorised to execute, and do all things upon and affecting any land which are necessary or proper for the execution of those works" (that simply gives them the power of entry upon adjoining lands for the purpose of executing works), "making compensation to all persons for any loss or injury occasioned to them by the exercise of such powers." That is entry upon adjoining lands for the purpose of executing the works; that is absolutely inconsistent with the assurance which my learned friend gave me when I was pointing out that the powers given under Section 11 might result in much greater injury to the fisheries than merely the execution of works; and my learned friend says, "I think that ought to be so." I use the exact phrase. "If my learned friend means compensation for any damage resulting from the execution of the powers of the Act, then I think I should be content. All I propose is a clause which uses these words: "The Commission and the Conservancy Board, or the Lord Lieutenant, as the case may be": and I will say why the Lord Lieutenant is mentioned; it is because he is made a substitutionary power for the execution of the works in the event of there not being carried out. That is the only reason why he is mentioned *nominatim*.

Mr. T. W. Russell.] Are you proposing a new clause?

Mr. Pope.] I am, in accordance as I venture to submit with the express understanding which I came to with my learned friend when I was discussing the matter the other day. You will remember that my learned friend said, and very truly, "It is not a mere question of private interest; no doubt the lessee of the fishery has a private interest in it, but it is also a question of a national food industry," and various other considerations arise which my learned friend thoroughly recognised. What I propose is this, "The Commission," and so on, "as the case may be shall from time to time make compensation to the Irish Society and their sequels in estate and lessees as the case may be in respect of any damage or loss occasional to them or any or either of them by the exercise of any of the powers of this Act," using the precise phraseology which I did use, and which my learned friend assured me should be respected.

Mr. Littler.] Show me where it is not met by the Act as it stands.

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Mr. Pope.] I have already told you that the only provisions for compensation in the Act is under Section 26, which I declare, as a lawyer, in my judgment absolutely limits the compensation to the power given under Section 26. Let me read it again; I do not think that my learned friend can have seen what the meaning of the compensation is.

Mr. Littler.] Have you read Clause 25 as you are so indignant about it? I see no ground for indignation. The Lands Clauses Act is incorporated.

Mr. Pope.] The Lands Clauses Act does not grant compensation for a fishery unless the fishery is declared to be within it.

Mr. Littler.] The fishery is declared to be within the Lands Clauses Act. The whole thing is covered.

Mr. Pope.] The Lands Clauses Act does not provide for injury by any exercise of the powers of this Act. Will my learned friend point out to me under what section of the Lands Clauses Act I can get compensation for damage to my fishery if the Commissioners do anyone of these things under the powers of this Act? In fact their compensation is absolutely limited to works. Where under the 68th Section of the Lands Clauses Act could I get compensation if I am injured by the removal of any mill-dam I am by the abandonment of the navigation, by the alteration of the water level, or by the power to make bye-laws, and the other powers which are given under that section? That is what I am afraid of. It is not merely the execution of works. But let me just give an illustration of what might occur. If the navigation were abandoned the maintenance of the lock-gates would no longer become necessary. The channel of the river and the current might be divered through these lock-gates, instead of passing over the weir and through the pass as now. That would be an injury to me; what would be the extent of it, I do not know, but I should feel very doubtful to assert that that is a "work;" it is an exercise of the powers of the Act; but it is not a work, and I am only entitled to be compensated for what my learned friend does by the execution of the powers in respect of works. The incorporation of the Lands Clauses Act may be sufficient where the works affect my fishery.

Mr. Littler.] Does my learned friend know that in Clause 13 the words "exercise of the powers of this Act" have been inserted by the Committee this morning.

Mr. Pope.] Of course, I did not know that they had been inserted this morning, nor have they been till this moment, so far as I know.

Mr. Littler.] They are inserted in Clause 13.

Mr. Pope.] I do most deliberately say that this does not meet the understanding under which we left the Committee.

Mr. T. W. Russell.] Take the case that you assume; would not the opening of a lock gate that is now closed be a work?

Mr. Pope.] No; assuredly not.

Mr. Littler.] It is one of the things that we take power by this Act to do. It is a work which we take power to execute.

Mr. Pope.] Let us see whether this, which my learned friend throws at my head for the first time, really meets the case.

Mr. Littler.] That is not fair; it has been before the Committee all the morning.

Chairman.] I think Mr. Pope will find that a good deal of his argument has been met by the amendments which have been made in the course of the day.

Mr. Pope.] I have only this moment seen them; I do not know whether Sir Richard Wyatt has had them sent to him. If you will allow me to look at them I will see whether they meet the point. This is the provision of money for compensation, but it does not entitle me to it. It is an insertion of words in the clause providing money for compensation, but without giving me any title to claim compensation.

Mr. Littler.] Clause 25 give you power to claim it.

Mr. Pope.] Clause 25 does not give it. My learned friend throws Clause 13 at my head, at this moment, with his own hands, and tells me that it meets it. I will point out, in a moment, that it has no more to do with it than the clause at the end, as to the payment of the costs of this Act.

Chairman.] We have been going through these matters all the morning. Of course we quite understand that it was impossible for you, Mr. Pope, to be here all the time, but we are willing to wait for a minute or two while you look at it, and I think you will then be satisfied.

Mr. Pope.] Of course, I have no desire to go back upon any decision of the Committee if the Committee have decided that the amendments are equivalent to my learned friend's undertaking that we shall be compensated if we are injured by the execution of any of the powers of this Act. I am not going to dispute that; I must consider it hereafter, and see whether that is really so; if not, we must insist upon it elsewhere.

Chairman.] I think Sir Richard Wyatt will explain to you what has really happened.

Mr. Pope.] I am sent for here because Sir Richard Wyatt believes that the amendments of the Bill are not sufficient to secure that which on Friday it was held that we were entitled to be secure in, namely, that if

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if in the execution of the powers of the Act we are damaged, we are to be entitled to compensation. Now, the provision of money compensation gives us no title to that; it has nothing on earth to do with it. Section 13 is not an amendment which affects that case at all. My learned friend says that there is some alteration in Clause 25.

Mr. *Little*.] Section 13 and Section 25, taken together, make it plain.

Mr. *Pope*.] Section 13 merely provides for the finding of the money.

Mr. *Little*.] If you, not having been here, will not listen to what is said to you, I must leave you alone. Probably I know as much as anybody what has been going on.

Mr. *Pope*.] I am perfectly right. I was arguing on Friday, that independently of and in addition to the injury which might be inflicted by the execution of works, there were injuries beyond which might be inflicted by the execution of the powers of the Act which are not works; and I left the Committee thinking that I and my learned friend were entirely at one, that we ought to be compensated for any possible injury, whether directly occasioned by works, or by the execution of the powers of the Act, not works. Now then let us see what is the compensation to which one is entitled. Section 25 provides that, "Where the amount of any purchase-money or compensation to be paid by the Commission or Conservancy Board to any person, the amount thereof shall be settled by arbitration in manner provided in sections 25 to 37 (both inclusive), of the Lands Clauses Consolidation Act, 1845, and not otherwise. Provided, however, that where the amount of any purchase-money or compensation claimed in respect of any land required by the Commission or the Conservancy Board, or in respect of any damage occasioned by the exercise of any powers for the execution of the works authorised by this Act." I say that that is a clear limitation. It does not carry me to compensation for the execution of the powers of the Act. It is the powers of the Act so far as they authorise works. You may, under Section 11, do a great deal to injure us by what are not works.

Chairman.] Will you specify them?

Mr. *Pope*.] I will call Mr. Moore, and he shall tell you what is the injury that he apprehends. That is what I should have done on Friday, if I had not understood that we were agreed.

Mr. *T. W. Russell*.] Everything in Section 11 represents works.

Mr. *Pope*.] That is not so.

Mr. *Little*.] You will find that it is headed "works," and it is works throughout.

Mr. *Pope*.] The heading does not matter. The marginal note, which nobody knows better than my learned friend, is no part of
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an Act of Parliament, has the word "works" in it; but the heading of Section 11 is: "In order to carry into effect the purposes of this Act, the Commission may construct the embankments and works shown in the said plans, subject to the power of varying the same by means of an Order in Council, as hereinafter provided; and may also within the catchment area—(a) deepen, widen, straighten, embank, and otherwise improve any watercourse or outfall for water, and remove any mill-dam, navigation weir, fish weir, eel weir, sluice, or other obstruction, to any watercourse or outfall for water, and raise, widen, and otherwise alter any wall, embankment, mill-dam, navigation weir, fish weir, eel weir, sluice, or any dam or defence against water; and make any new watercourse, or outfall for water, and erect any new embankment, dam, weir, sluice, or defence against water, and fill up or re-open any disused watercourse: and (c) provide for the abandonment of the navigation of the Lower Bann." With all its consequences, whatever they may be. That is not a work. To abandon a work is not to construct a work. Supposing that they abandon a work and let it go to ruin, is that doing a work? And yet that might be a great deal more injurious to us than the construction of any work. Then the clause goes on, "and regulate, control, and alter the water level of the Lower Bann, and of any watercourse within the catchment area; provided, however, that it shall not be lawful for the Commission or for the Conservancy Board when the works become vested in them, to open or to keep open the sluices at Toome at any time when the water in Lough Neagh is at or below the summer level; and (d) temporarily stop the navigation in any watercourse; and (e) erect any machinery and any acts and things necessary or proper for effecting the above-mentioned purposes, or one of them."

Mr. *T. W. Russell*.] On the question of providing for the abandonment of the navigation, they could not provide for the abandonment of the navigation of the Lower Bann without removing the locks, and that would certainly be a work.

Chairman.] The Committee have really been over all this ground already, and we have decided that such abandonment as you are now referring to would be an act for which we should not be disposed to give compensation.

Mr. *Pope*.] If you have come to a decision it was useless sending for me to re-argue the question, and it is the courtesy of the Committee alone that justifies my being here.

Chairman.] Not at all; we are very glad to hear you.

Mr. *Pope*.] Again, Sir: look at Section 36. If you have decided that in your judgment the amendment is sufficient to cover the right to compensation which I thought I was entitled to for anything done in the execution of the powers of the Act
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do not understand me as wanting to go back upon your decision.

Chairman.] We come to the conclusion that the alterations which we have made in the Bill to-day have sufficiently covered the undertaking given on the last day. You may think our decision right or wrong, but we have gone into the whole subject carefully and thoroughly.

Mr. Pope.] I am, of course, not entitled to go behind the decision of the Committee; I must reserve my right to consider it elsewhere if necessary.

Mr. J. D. Fitzgerald.] I was asking something more than was agreed to be given by Mr. Littler, and I expressly put it upon that ground.

Chairman.] If Mr. Pope brings up any new clause which is outside the decision that we have already arrived at, we will of course, hear it argued; but as I understand Mr. Pope, he is re-arguing the very ground which we have heard discussed this morning already.

Mr. T. D. Fitzgerald.] The point which I submitted to you was whether Colonel Bruce was not entitled to get compensation for what was not legal damage, and that

point you ruled against me, but that is very different from what Mr. Pope has brought up, which is whether the Bill gives compensation for legal damage?

Chairman.] The Committee are of opinion that it gives an opportunity for obtaining compensation for all the damage that can be legally claimed. Then nothing further remains except the Schedule.

Mr. Claude Baggallay.] There is another proposal that I have to submit to the Committee. (*The learned counsel read a clause as to the artificial propagation of fish*). This is a several fishery of which the Irish Society are the sole owners, and the proposal is that all the parties under them shall have power to erect and attach to these walls and weirs, &c., for the means of capturing fish for the purposes of artificial propagation, and to maintain and use the same from time to time. Perhaps I might call Mr. Moore, the lessee of these fisheries, to explain exactly why he would wish to have this clause in.

Mr. Littler.] I do not know whether my learned friend is aware that it has already been decided that there is no such thing as a several fishery in the Bann. Why should the Irish Society have that which nobody else has?

Mr. ROBERT LYON MOORE, sworn; and Examined.

Mr. Claude Baggallay.

883. You are the lessee of these fisheries of the Irish Society, are you not, in the Bann?—Yes, I represent the lessees.

884. You are the managing partner of the lessees?—Yes.

885. Will you explain to the Committee exactly what it is that you want to do under the provisions of this Act?—We are desirous that there should be power given to some person, either the Commission, or the Inspector of Fisheries, or the Board of Works, or the Conservancy Board (I cannot tell you which) to permit us to place cruives during certain portions of the year for the capture of salmon, for the purposes of artificial propagation, as we propose erecting very large hatcheries on the Bann.

Chairman.

886. I do not see what that has to do with this drainage Bill; will you explain how you will be prejudiced by the proposal of this Bill?—I cannot do that.

Mr. O'Neill.

887. You have already the power of catching salmon?—Yes, but we cannot catch them at the Cuts. They pass beyond the Cutts. It is from September on that we want to catch them.

Chairman.

888. Is not this to create a new fishery?—No, that capture of salmon would take place under the inspector's license.

Mr. T. W. Russell.

889. Will you not by doing so create a new interest for the Irish Society?—Not at all.

Mr. Littler.

890. Have you your the power of doing it now?—Not of attaching to the walls.

Mr. T. W. Russell.

891. Then you are creating a new interest?—We have power to catch salmon anywhere through the Bann.

Mr. Pinkerton.

892. How could you think that fish hatching and drainage could go hand-in-hand?—I do not see any reason why they should not.

893. You might as well propose to hatch chickens under this Act, might you not?—

Chairman.] Your proposal may or may not be a good one, but it is not within the scope of the Bill.

Mr. Littler.] Mr. Moore desires not only a hybrid Committee, but an amphibious Bill.

Chairman.] I am afraid that we cannot entertain this clause.

Mr. Claude Baggallay.] Then I have to propose this too. This is a general saving clause similar to what the Irish Society have had in other Acts relating to the Bann. "That nothing in this Act contained shall extend

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extend to prejudice, diminish, alter, or take away any of the rights, privileges, powers, and authorities vested in or enjoyed by the Irish Society under or by virtue of any charter or charters heretofore granted to them by the Crown, or of any statute or statutes in anywise relating thereto." That is a similar provision to what has been already inserted in Clause 29 of the Bill with regard to the Countess of Shaftesbury.

Mr. *Littler*.] If my learned friend will put in front the words, "except as otherwise provided," I have no objection to it, because I do not know what his charters are, but I believe they have several tons of them. I have no objection to it; I do not think it does any good or any harm.

Mr. *Claude Baggallay*.] I do not see why we should not leave it in the same form as as it was given in the case of the Countess of Shaftesbury.

Mr. *Littler*.] Because we do know how it affects her, and we do not know how it affects you with all your charters.

Mr. *Claude Baggallay*.] It does not create any rights.

Chairman.] If you like to accept the words in the way approved of by Mr. *Littler* you can have them, but not otherwise.

Sir *Richard Wyatt*.] We have the charters here.

Chairman.] We cannot go through the charters.

Sir *Richard Wyatt*.] I thought I understood one honourable Member to ask whether the charters were here.

Mr. *Littler*.] I am told that as to the part we deal with they actually claim to derive their title through Lady Shaftesbury.

Sir *Richard Wyatt*.] We are afraid of the precedent.

Chairman.] Are you going to accept the words or not?

Mr. *Claude Baggallay*.] Yes, Sir.

Mr. *Littler*.] My words are "except as herein provided."

Mr. *Claude Baggallay*.] "Except as otherwise herein expressly provided."

Mr. *Littler*.] Very well.

Chairman.] You accept the clause with that modification.

Mr. *Claude Baggallay*.] Yes. I see now that owing to the leaving out of the other clause it will be necessary to put in the full title of the Irish Society from the top of the page.

Mr. *Littler*.] We will put that in.
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Mr. *Claude Baggallay*.] I have another clause, Sir, to bring up. The Irish Society are the owners, under their charter, of the bed and soil of the River Bann, as well as being the owners of the fisheries. In consequence of that, in other Acts which have been passed (and I will refer you now to Section 56 of the River Bann Navigation Act, 1879) it has been provided that if any deviation of the course of the river should take place, or anything of the sort, then the lands so gained should belong to the Irish Society, and that the rights of fishery should extend over the diverted course of the river. Therefore I propose a clause which is founded upon that, though, of course, I have had to alter the words of it before that clause referred to particular works which were there authorised. The clause which I propose is: "If in, or as the result of the exercise of any of the powers of this Act, any part of the shore, or bed, and soil of the River Bann, now vested in the Irish Society, be inned, or gained, or reclaimed, from the water, the Commission and the Conservancy Board shall not have, or exercise any right upon the same, or in respect thereof, but the inning, gaining, or reclaiming thereof, shall enure absolutely for the benefit of the Irish Society and their sequels in estate, and if, in, or as the result of the exercise of any of the powers of this Act, the River Bann, or any part thereof, or the cause thereof, shall be diverted, enlarged, reduced, or otherwise altered, the Irish Society and their sequels in estate shall have, and may in all respects exercise the same rights in and over such diverted, enlarged, reduced, or otherwise altered portion of the said river as they had, and might exercise in and over the river, immediately before such diversion, enlargement, reduction, or other alteration was made.

Chairman.] Surely you would have this by right at common law or by statute or in some way. Unless you have it already we are not disposed to give you a new right of that kind.

Mr. *Claude Baggallay*.] They may divert the river.

Chairman.] Then it is a question of who gets the property. We are not going to vary the operations of the ordinary law.

Mr. *Pinkerton*.] This is in the tidal portion of the river. Would you be satisfied if we would give the Irish Society Lough Neagh and the Bann, and all the fisheries along the shore?

Mr. *T. W. Russell*.] Do you claim the bed of the whole river?

Mr. *Claude Baggallay*.] Yes; right up to Lough Neagh I am told.

Chairman.] You have it, or you have it not, and it will come to you in the ordinary course of law if you are entitled to it. We are not going to give it to you by a new clause.

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Mr. *Claude Baggallay*.] We are not desiring to get a new right; but if a right is taken away from us by the operation of this Act, we submit that we should have the same rights over the new lands as we had over the water which was diverted.

Mr. *Littler*.] You have the same rights over the new river as you had over the old.

Chairman.] We do not take anything from you by this Bill, and we will give you nothing. Do you submit the clause to be put to the Committee?

Mr. *Claude Baggallay*.] Certainly I must submit the clause to the Committee.

The clause was rejected.

Mr. *Claude Baggallay*.] Now I come to the last clause that I have to propose, and that is that the plans which are prepared by the Commission should be deposited somewhere so that the persons interested may have an opportunity of seeing them before the plans are finally agreed upon. The clauses are founded upon similar clauses in the Railways Clauses Act.

Mr. *O'Neill*.] Is it not in Clause 23?

Mr. *Claude Baggallay*.] This is more than that. As a rule, where works are authorised plans are deposited which people may see before the works are sanctioned and taken objection to them. That, of course, is not proposed here, but another procedure is adopted, which is of the plans being sent by the Commission to the Conservancy Board. There is no provision whatever made either as to the time at which they should be sent to the Conservancy Board or for giving anybody who is interested in the result of the works an opportunity of being able to bring before the Conservancy Board, for consideration by them, any suggestions in regard to the variation or alteration of the plans; and, similarly, when subsequently plans have to be sent by the Commission, we should not have the opportunity there. All that we ask here is, that similar clauses to those provided by the Railways Clauses Act with regard to the deposit of plans and notices of the deposit should be given.

Mr. *Littler*.] But that is before you come to Parliament at all; that is with regard to land that is to be taken.

Mr. *Claude Baggallay*.] All that I proposed is this:—

“(1.) The Commission shall not proceed in the execution of any work under the powers of this Act unless they shall have” (*we leave the reasonable period to the Committee to decide*) at “least previously to the commencement of such work, and, at least, previously to the submission for approval of any plan or section of such work to the Conservancy Board or the Council of the Lord Lieutenant deposit with the clerks of the peace of the several counties in which the work is intended

to be executed, a copy of every plan and section to be submitted as aforesaid.

“(2.) The said clerks of the peace shall receive the said copies, plans, and sections, and shall retain the same, and shall permit all persons interested to inspect the same, and to make copies of the same in the like manner and upon the like terms and under the like penalty for default as is provided in the case of plans and sections by an Act passed in the first year of the reign of Her present Majesty, intituled, “An Act to compel clerks of the peace for counties, and other persons to take the custody of such documents as shall be directed to be deposited with them under the Standing Orders of either House of Parliament.”

“(3.) Notice of the deposit of every such plan and section shall be published by the Commission within one week after such deposit in one or more newspapers circulating in the district.”

Mr. *Cox*.] This is practically, is it not, the carrying out of the resolution of the Grand Jury of the County of Derry?

Chairman (to Mr. *Littler*).] Do you see any objection to this?

Mr. *Littler*.] The simple answer to this is *cui bono*. The object of the deposit is in order that all the owners of land through which a railway is going to be made may have the opportunity of petitioning and giving their reasons against it. This is a Bill on the other hand framed on the principle that the Commissioners are hereafter to do that which they think fit, to take such lands as they can get by agreement, and no other. If they want lands other than those which they can get by agreement, they will have to go for a Provisional Order, and then they will have to deposit all these plans as is required in a case of Provisional Order. What he is proposing must take place under the Act which provides for proceedings under Provisional Order. Here that which we propose to do is precisely what any local board in this country has power to do when it sets to work about the drainage of a district. They may go into a man's back garden without any notice or deposit. All that they have to do is to pay compensation, as we are obliged to do here. It is a most unheard of thing to apply the proceedings of another Act of Parliament made in another case, which is not in the slightest degree *in paria materia*, to this case.

Mr. *T. W. Russell*.] It would bring into play all the amateur engineers of the district.

Mr. *Littler*.] All the amateur engineers of the kingdom would set to work and advertise themselves in every newspaper in the North of Ireland. My learned friend would be no better off, because he could not do anything to question it.

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Mr. *Claude Buggallay*.] We should know before the matter came before the Conservancy Board, what it was that was proposed to be done.

Mr. *Littler*.] Look at page 3, line 30; "The Commission shall prepare such further information concerning the proposed works and the charge therefor, and all other matters as may be necessary for enabling the Conservancy Board, when constituted, to determine the expediency of undertaking the works authorised by this Act."

Chairman.] I quite agree with Mr. Littler that this Bill is different in its scheme from

the Acts to which you have referred; and as the Conservancy Board will really be the representatives of all the persons concerned in the matter, and of nobody else, it will be their business and their interest to look into this matter; and I certainly would not encourage people who are not interested to make professional criticisms upon what is proposed by the Commission. We cannot accept that clause.

The Schedule was read, and agreed to.

The Chairman was directed to report the Bill, as amended, to the House.

R E P O R T
FROM THE
SELECT COMMITTEE
ON THE
BANN DRAINAGE BILL;
TOGETHER WITH THE
PROCEEDINGS OF THE COMMITTEE,
AND
MINUTES OF EVIDENCE.

*Ordered, by The House of Commons, to be Printed,
22 July 1889.*

[*Price 7½ d.*]

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ON THE
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TOGETHER WITH THE
PROCEEDINGS OF THE COMMITTEE
AND
M I N U T E S O F E V I D E N C E.

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and HODGES, FIGGIS, and Co., 104, Grafton-street, Dublin.

CITY OF LONDON POLICE BILL.

[Monday, 1st July 1889]:—ORDER for Committee read, and discharged, and Bill committed to a Select Committee of Seven Members, Four to be nominated by the House, and Three by the Committee of Selection.

Ordered, THAT the Committee have power to send for Persons, Papers, and Records.

THAT Four be the Quorum of the Committee.

Committee nominated of—

Sir Herbert Maxwell.
Mr. Baring.
Mr. Pickersgill.
Mr. Francis Stevenson.

Nominated by the House.
[Friday, 5th July 1889.]

Mr. Broadhurst.
Mr. Chaplin.
Mr. Wodehouse.

Added by the Committee of Selection.
[Friday, 5th July 1889.]

Ordered,—[Tuesday, 9th July 1889]:—THAT Mr. Chaplin be discharged, and that Sir Matthew White Ridley be added to the Committee.

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R E P O R T.

THE SELECT COMMITTEE to whom the CITY OF LONDON POLICE BILL [*Lords*]
was referred ; — HAVE agreed to the following REPORT :—

YOUR Committee have considered this Bill, and made Amendments thereunto.

This Bill will for the first time confer upon members of the City Police Force the right to pensions under certain conditions, a right beyond any that is enjoyed at present by any military or civil servant of the Crown. It is however in accordance with the recommendations of the Police Superannuation Committee, which reported in 1877, and with the provisions of various successive Bills, some of which have since that time been read a second time in the House of Commons. Your Committee therefore, in accepting the Preamble of this Bill, have proceeded upon the assumption that this principle has been already sanctioned by the House.

The City of London Police is in all particulars administered under Private Acts of Parliament, and though your Committee are of opinion that it would have been desirable to deal with the whole question of Police Superannuation throughout England, including the Metropolis, in one general Act, they think that in the absence of any such proposals it would be unfair to refuse to the ratepayers and Police Force of the City of London the advantages of a scheme which is in strict accordance with the recommendations of the Police Superannuation Committee of 1877, and which will effect an economy estimated by the actuary at upwards of 5,000 *l.* a year.

17 *July* 1889.

PROCEEDINGS OF THE COMMITTEE.

Thursday, 11th July 1889.

MEMBERS PRESENT :

Mr. Wodehouse.
Sir Matthew White Ridley.
Mr. Baring.

Mr. Pickersgill.
Sir Herbert Maxwell.
Mr. Francis Stevenson.

Sir MATTHEW WHITE RIDLEY was called to the Chair.

The Committee deliberated, and decided to call evidence.

[Adjourned till Tuesday next, at Twelve o'clock.]

Tuesday, 16th July 1889.

MEMBERS PRESENT :

Sir MATTHEW WHITE RIDLEY in the Chair.

Mr. Baring.
Mr. Wodehouse.
Sir Herbert Maxwell.

Mr. Pickersgill.
Mr. Francis Stevenson.

Mr. *Sherwood* appeared as Agent for the Bill.

Preamble read the first time.

Sir *James Fraser*, Mr. *William Sutton*, and Mr. *Russell Griffiths* were sworn, and examined.

Room cleared. The Committee deliberated.

[Adjourned till To-morrow, at Twelve o'clock.]

Wednesday, 17th July 1889.

MEMBERS PRESENT :

Sir MATTHEW WHITE RIDLEY in the Chair.

Mr. Pickersgill.
Mr. Baring.
Mr. Wodehouse.

Sir Herbert Maxwell.
Mr. Francis Stevenson.

Room cleared. The Committee deliberated.

Preamble read a second time.

Question, That the Preamble is proved,—put, and *agreed to*.

Parties called in and informed thereof.

Clauses considered, amended, and *agreed to*.

Report read, and *agreed to*.

Ordered, To Report, together with the Minutes of Evidence.

M I N U T E S O F E V I D E N C E.

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MINUTES OF EVIDENCE.

Tuesday, 16th July 1889.

MEMBERS PRESENT :

Sir Matthew White Ridley.
Mr. Baring.
Sir Herbert Maxwell.

Mr. Pickersgill.
Mr. Francis Stevenson.
Mr. Wodehouse.

SIR MATTHEW WHITE RIDLEY, IN THE CHAIR.

Messrs. SHERWOOD & Co. appeared as Agents for the Bill.

Chairman.] THE Committee have decided, with reference to procedure, the best course to adopt will be that which is pretty well known, namely, that the promoters of the Bill should put forward their own witnesses and examine them in chief, and then, of course, any Member of the Committee will be at liberty to put a few questions, if he desires.

SIR JAMES FRASER, K.C.B., sworn; and Examined.

Mr. Goldney.

1. You were appointed Commissioner of City Police in 1863?—Yes.

2. Previous to that you had been chief constable of Berkshire?—For several years.

3. Will you tell the Committee what is the present average strength of the City Police?—About 900.

4. I think you have a small table copied out of the pay of the different ranks?—There are three classes of constables, the first, second, and third. The first-class constable receives 32 s. 3 d. a week, the second-class 28 s. 8 d., and the third 25 s. 7 d. a week.

5. Now, perhaps, you will take the sergeants?—There are two classes of sergeants; the first-class receive 39 s. 11 d., and the second 36 s. 10 d.

6. Then there are the station sergeants?—They receive 51 s. 3 d., and the detective sergeants the same.

7. Then there are the superintendents and inspectors?—The inspectors are of three classes also; one class 71 s. 2 d., one class 66 s. 7 d., and one class 61 s. 6 d.; and two inspectors, a detective inspector and chief inspector, who receive 82 s. a week.

8. Differing in that respect from all other police forces in the kingdom, you receive no assistance at all from the Government?—None. The City police has never received any pecuniary assistance since it was first established, differing 0.125.

Mr. Goldney—continued.

in that respect from all other police forces which are reported efficient by the Government Inspector. They receive one-half of the pay and clothing.

9. What is the age of your recruits on joining?—We take recruits between the ages of 21 and 27.

10. What do you find the average age to be?—Between 23 and 24.

11. This question of pensions is one that has been before you, I think I may say, for a great many years?—A great many years; I gave evidence before a Select Committee of the House of Commons, I think, 15 years ago, or something like that.

12. In 1875 before Sir Henry Selwin-Ibbetson's Committee?—Exactly.

13. You have looked through your evidence given before that Committee, and with 15 years' additional experience have you anything to correct in it?—Nothing whatever. All the experience I have since that tends to confirm all I said in the evidence I then gave.

14. You say you gave your evidence in 1875. I would ask you to state to the Committee the conditions under which the pensions in the City Police are at present granted?—Under the 12th Clause in the City Police Act any man who has served 15 years, and who is certified by the medical officer of the police to be incapacitated either mentally or physically for the purpose of his

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Sir J. FRASER, K.C.B.

[Continued.]

Mr. Goldney—continued.

his duty, receives a pension equivalent to one-half of his pay, and after 20 years' service, if he is incapacitated from either of these causes, he receives a pension equivalent to two-thirds of his pay. The proposals in this Bill are to reduce the amount of pensions which have been granted upon this scale in consequence of the great drain upon the superannuation fund by the largeness of the pensions which are now granted.

Chairman.

15. Perhaps it will be convenient if you will shortly state what the superannuation fund is in the City. Is there a separate fund?—There is a superannuation fund, the deficiency of which is made up from the rates.

Mr. Goldney.

16. And the City's cash?—And the City's cash.

17. That is, the Corporation pay it out of their own funds, which are not levied by rates?—Yes.

Chairman.

18. Is there a separate police rate?—Yes, a separate police rate.

19. Is that in any form limited?—It is limited to a contribution of 8 *d.* in the £. by the Police Act. As a matter of fact the police rate this year is 5½ *d.*

Mr. Baring.

20. Is that the average?—It has been 5 *d.* for some years past. This year it has been necessary to increase it one halfpenny in consequence chiefly of the deficiency in the superannuation fund, which now amounts to something over 8,000 *l.* a year.

Mr. Pickersgill.

21. Will you state how the superannuation fund was originally constituted?—It is constituted under the City Police Act itself.

22. How is it made up. You have told us how the deficiency is supplied; will you tell us how the fund was originally constituted?—The Act provides that also. It says, Clause 11, "Be it further enacted that there shall be deducted from the pay of every constable belonging to the City Police Force a sum after such yearly rate as the said Mayor, Aldermen, and Commons, in Common Council assembled, shall direct, not being a greater rate than 2 *l.* 10 *s.* in 100 *l.*, which sums so deducted, and also the money accruing from stoppages from any of the said constables during sickness and fines imposed on any of the said constables for misconduct, and from the fines imposed by any justice of the said City upon drunken persons, or for assaults upon police constables, and all money arising from the sale of worn or cast clothing supplied for the use of the City Police, shall from time to time be invested in Government Stock by and in the name of the Chamberlain of the said City, and the interest or dividends thereof, or so much of the same as shall not be required for the purposes hereinafter mentioned, shall be likewise vested in such stock and accumulate so as to form a fund, to be called 'The City Police Superannuation Fund,' and shall be applied from time to time for payment of such superannuation or re-

Mr. Pickersgill—continued.

tiring allowances or gratuities as may be ordered by the said Mayor, Aldermen, and Commons, in Common Council assembled, at any time to any of the said constables as hereinafter provided."

23. I understand that the statutory maximum is 2½ per cent. on the constables' pay?—Yes.

24. My question is whether that maximum is actually exacted at the present time?—Yes, 2½ per cent.

Chairman.

25. Are you able to state whether that clause is practically identical in its details with the clause in the General Police Superannuation Act?—Yes, identical not only with the Metropolitan Clause but with the County.

26. It is identical with the General Police Superannuation Act?—That is so.

Mr. Goldney.

27. Following on that point as to the superannuation fund, in the year 1861 I believe the superannuation fund was very large?—I may mention that the pension fund, or rather the superannuation fund, of every police force from the time of its formation up to 20 or 21 years must necessarily go on increasing until it attains its maximum, for this reason, that no constable is eligible for a pension until he has served 15 years, and from that period up to 20 years, and generally up to 21 years, the fund goes on necessarily increasing because there is no drain from it; after that it gradually decreases, until, as is the case not only in the City but I believe in almost every police force in the kingdom, the fund becomes bankrupt, and has to be supplemented from the rates.

28. Then, in 1861, the City Police Superannuation Fund was 30,000 *l.*, all but eight or nine pounds?—Yes, it was as closely as possible 30,000 *l.*

29. Then from that time it has steadily decreased?—Yes.

Chairman.

30. Is it the practice in the City, when there is a deficiency of the fund, to sell out the capital?—We were told that that was necessary. I proposed at that time that, if it was possible, a very small rate should be levied, in hopes that the interest of this sum would have been sufficient to pay the superannuation to constables who were discharged; but the City were advised that they had not power to do that, and that it was actually necessary to expend the capital before they could do anything of the sort, and the same question arose in the Metropolitan force.

31. A different view is taken by some local authorities, at all events, as regards the various county authorities, as you are aware?—Yes, I know that is so.

32. It has been the practice in the City according to the advice they have been given, when there has been a deficiency, to supplement that, not from the rates, but by selling out a certain amount of capital, and so the fund is diminished?—Yes.

33. What does it stand at now?—The deficiency stands at 8,000 *l.*

34. I mean

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[Continued.]

Chairman—continued.

34. I mean the capital?—The capital has been exhausted long since.

Mr. Goldney.

35. Was it the case that, acting on that opinion, the City found themselves in a position that they were obliged to go on reducing the capital until it was all gone?—That is so.

36. And it was, as a matter of fact, entirely exhausted?—The last payment of invested stock was in the year 1860, 91 l. 4 s. 6 d. It was exhausted then.

Mr. Baring.

37. From that time the whole amount has come from rates?—Not the whole amount.

Mr. Goldney.

38. Rates and City's cash?—The deficiency has come from the rates, but of course the original sources from which the fund is partially made up, those which I read from the clause in the Police Act, are still collected, and the deficiency is made up now partly from the rates and partly from the City's cash. The City's cash contributes one-fourth of the whole of the expenditure of the City Police, the ratepayers paying the remaining three-fourths.

Chairman.

39. When you say the whole expense, you mean to include the superannuation?—Yes.

40. The City's cash pays one quarter?—Yes.

Mr. Goldney.

41. Then in 1874, I believe, the Corporation introduced and passed the City of London Police Act, 1874?—That is so.

42. And that dealt with the superannuation fund?—Yes; it says: "Whereas, by the City Police Act of 1839 (Sections 11 and 12), provision was made for the formation of a fund, called the City Police Superannuation Fund, and for the payment thereof, by order of the Common Council, of yearly allowances (as therein specified) to constables of the City Police Force, ordered by the Common Council to be superannuated: And whereas the City Police Superannuation Fund will become insufficient for its purpose: And whereas the Corporation desire, and it is expedient that they be empowered to supply any deficiency of that fund out of their revenues and possessions and the City Police rates, in the proportions in which the expenses of the City Police are defrayed throughout." This was a Bill passed expressly for that purpose, to enable them to supplement the superannuation fund by charging so much of it on the rates.

43. And in that proportion?—In the same proportion.

44. That is one-fourth to three-fourths?—One fourth to three-fourths.

45. I do not think we have got it yet; but in the City Police Force, as in others, the granting of the pension is discretionary?—Yes.

46. There is at present no right to claim it?—No, under the Police Act no constable has a right to claim superannuation under any conditions whatever; and he cannot be discharged until he is 60 years of age, nor receive a pension

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Mr. Goldney—continued.

unless he is certified to be physically or mentally unfit for the discharge of his duty.

47. That is under a particular provision of the Act?—That is so.

Chairman.

48. Was not the anxiety of the police force to receive a pension as a matter of right shown by the evidence to Sir Henry Selwin-Ibbetson's Committee of a good many of them, who said they were quite willing to submit to a larger deduction if by that means they could obtain the right to a pension?—That is so; but with the addition attached to it that they should be allowed to retire at an earlier age than was proposed in the Bill.

49. With certain additions attached?—Yes, that is quite so.

Mr. Goldney.

50. I will take it as part of the history of the matter, the Committee that took evidence in 1875, adjourned for a considerable period to have actuarial calculations made?—Yes, that is so.

51. And they presented a report in 1877, and that is the report which you hold in your hand which was presented in April 1867?—This was the recommendation of the Committee presided over by Sir Henry Selwin-Ibbetson: "Accordingly with a view of laying down a scale at once, fair both to the localities and to the men, your Committee have carefully considered not only the suggestions of these witnesses, and the scale suggested in his report by Dr. Farr, but the scales now in force for the Irish and Metropolitan constabulary; and they have come to the conclusion that the following scale might be fairly recommended, namely, a scale rising from 15-20ths at 15 years' service by 1-50th each year to 20 years, then by 2-50ths each year to 25 years, and, again, by 1-50th each year to 28 years, when a pension of two-thirds of the pay is attained. This is identical with the metropolitan scale." And that is the proposal which the Corporation makes in the Bill now before the Committee.

52. The Bill now before the Committee is based entirely on that recommendation?—Yes.

Chairman.

53. That was accompanied, was it not, by a recommendation that after 25 years' service the pension should be a matter of right?—Yes, that is so.

54. But that after 15 years' service there should be the same conditions as to physical and mental incapacity that are now required?—Yes, that they should be pensioned on the lower scale.

55. On an identical scale with the Metropolitan Force?—Yes. The next paragraph is about the right: "Whilst recommending this scale as that which should in all cases regulate the amount of pensions, your Committee would further propose that a pension on this scale might be claimed as of right by any constable after 15 years' service, subject to the condition of his obtaining a medical certificate of permanent incapacity, and by any constable after 25 years' service without any condition whatever."

56. Following

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[Continued.]

Mr. Goldney.

56. Following the history of the question, in 1882 I believe a Bill carrying out the suggestions contained in the report of this Select Committee was introduced by the Home Secretary?—Yes.

57. In pursuance of a promise that he had given in the previous year, 1881, to the police at the great meeting at the City and Metropolitan Police Orphanage?—Yes, I was present and heard that promise given. It was willingly given by the then Home Secretary, who introduced a general Bill for the whole country, following out the recommendations made by Sir Henry Selwin-Ibbetson's Committee of 1877.

Chairman.

58. Embodying the same scale?—Embodying the same scale, and that scale was embodied, and the principle of giving the men a right to claim a pension was also embodied in that Bill, and in every one of the Bills that have been introduced into Parliament from that time to this, until two years ago, I think for six or seven years in succession.

Mr. Goldney.

59. In 1882, 1884, 1885, 1886, and 1887, similar Bills were introduced?—Yes; all embodying the principle of giving a man a right to claim a modified pension after a certain number of years' service, and on attaining a certain age. That is what the Corporation propose in their present Bill.

60. The last one, in 1887, was brought in by Sir Henry Selwin-Ibbetson and Lord Claud Hamilton?—Yes.

Chairman.

61. That was a Private Member's Bill.

Mr. Goldney.

62. The Bill of 1887 was merely a repetition of the previous Bills?—I think all the previous Bills were Government Bills.

63. A good deal turns on the question of entitling men who have served from 15 to 25 years to claim a pension, and a great deal must turn on the conditions on which they are discharged from the force as to a medical certificate?—Yes.

64. Have you, in the City, a special hospital for the police force?—Yes; a hospital built expressly for the purpose of receiving men who are unwell from any cause, and they remain in it until their discharge by the surgeon from it as being fit for duty.

65. Although a man may have what we may call, speaking generally, no special complaint, if he has a trifling injury or any trifling ailment, so that he is unfit to go on duty that particular day, he has to go into the hospital?—He is either sick or well.

66. If he is sick he is in the hospital?—Yes.

67. If he is well he goes on duty?—Yes.

68. So that the men are most constantly under the supervision of the medical officer?—Absolutely.

Mr. Baring.

69. Does that apply to constitutional diseases?—Every disease.

70. As well as accident?—Yes.

Mr. Goldney.

71. You consider that in itself is a great safeguard against men obtaining discharges on medical certificate where they really are perhaps not entitled to obtain those certificates?—I think it is impossible, because a man's history is recorded in the hospital books by the surgeon, and he knows his history from the time he joins the force to the time he leaves it.

72. Do you know any other police force where the same precaution is taken?—No; I think it is unique. I do not know of a hospital that exists in any part of the country for the police besides the City.

73. Have you there papers showing the average age at which the men who are at present pensioned were pensioned off?—Yes. I could show that exactly. The number of men now on the pension list at this moment is 210; the average amount of their pension is 58 *l.* 14 *s.* During the last 10 years the average service of the men so discharged has been 22 years nine months; their average age, 49 years one month. The average pension on the present scale of these men was 65 *l.* 1 *s.* 4 *d.* The average pension on the scale proposed by the Bill of 50ths would make the average pension, 52 *l.* 4 *s.*

Mr. Baring.

74. That includes men of all ranks?—That includes men of all ranks.

Chairman.

75. May I take it that the present condition of the force, as regards pension, is normal; that is to say, the force has been sufficiently long in existence for you to be able to say that the number of men pensioned, which you give at 210, is pretty well normal?—Yes.

76. And that the average pension under the scale at present used in the City is 65 *l.* odd?—Yes.

77. And under the Bill, supposing the maximum given, 52 *l.* would be the normal amount?—That would be the average on a scale of 50ths. I have given the number of constables who have been pensioned during the last 10 years. Of those men so discharged as I say, their average service has been 22 years nine months; their average age, 49 years, and the average pension granted to each of them, 65 *l.* 1 *s.* 4 *d.* That is during the last 10 years; 132 men were pensioned in the last 10 years, with a pension on an average, rather more than 13 every year, and I took the last 10 years as being those years in which there are the greater number of pensions.

Mr. Goldney.

78. You have given the average age?—Forty-nine years one month.

79. There was a great deal of evidence given on the point in 1875; but I would ask you to tell the Committee now what your experience as Commissioner of the City Police for so many years has been with regard to the effect that years of service have on the average police constable?—I think it is shown by this very return that the average age of these men who have been discharged medically during the last 10 years has not reached 50. The fact is that, after a man has served 25 years in the streets, he is fit for very little work afterwards.

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Sir J. FRASER, K.C.B.

[Continued.]

Mr. Goldney—continued.

wards. It takes it out of them tremendously. I think that is the opinion of almost every head of the police force in the country. If you get 25 years' work out of a man, you get as much as you are ever likely to get of useful work.

80. What is the average life history of the man who has served 25 years, and is pensioned off from the force; what becomes of him?—The answer to that is that of the men who have been pensioned during the last 10 years, at this moment 25 per cent. of them are dead. That shows, I think, that they are not fit for much after they have served 25 years. These are men who have not served 25 years; their average, you see, is only between 22 and 23 years, and of the number so pensioned a quarter of them are really dead.

Mr. Baring.

81. That includes persons who have been pensioned at once, owing to having been suddenly disabled by severe accident?—Not one of them. There might have been one, but not more.

Mr. Wodehouse.

82. Men pensioned in consequence of what you may call ordinary wear and tear?—Ordinary wear and tear.

Mr. Goldney.

83. Do you consider that the wear and tear of a constable in the crowded thoroughfares of London is greater than of a constable in a rural district or in a small country town?—I have no doubt of it; in fact, the climate of London is against a man, and the constant tramp day and night.

84. Have you looked with a retrospective object, and formed any conclusion as to the financial position, if this Bill had been adopted 10 years ago with those men you have referred to?—Assuming that the Bill had been passed 10 years ago, and that the men who have been pensioned during that period had been pensioned upon the scale which is now proposed, the superannuation fund would have saved nearly 20,000 *l.* There would have been a difference in the amount we have now, and, instead of having a deficiency of 8,000 *l.* a year, we should have, say, 20,000 *l.* very nearly.

Chairman.

85. You mean there would have been 20,000 *l.* less expended out of the rates and City cash upon the superannuation of the police?—During 10 years.

86. Then I think it is stated in one of your papers that you estimate the effect of this Bill upon the finances of the City will be a saving of 5,000 *l.* a year?—

Mr. Goldney.

87. Yes, that is the calculation, Sir James has made, taking those particular men over that particular period. Mr. Sutton of course will go into the details of the figures. (To the *Witness*.) Your attention has been called, or was called some months ago, to a report of the Secretary of State for the Home Department, on the City of

0.125.

Mr. Goldney—continued.

London Police Bill, signed by Mr. Godfrey Lushington, on the 15th March?—Yes, I have here.

Chairman.

88. Perhaps it will be convenient if I ask the question which occurred to me on this report. With reference to the maximum in this Bill being 3-4ths instead of 2-3rds of the salary, what is the reason you have been departing from all the Bills that have been before Parliament and the recommendation of the House of Commons' Committee, by making the maximum 3-4ths at a certain age instead of being 2-3rds?—The maximum 3-4ths is considered to be but reasonable, for the following reasons: Under the system now in operation, every constable who is pensioned after serving 20 years, receives a pension equal to 2-3rds of his annual pay, whatever his age may be. By the terms of this Bill he must be over 50 years of age, and have served 29 years before he can claim that amount, that would be 3-4ths, and he must serve not less than 33 years before he becomes entitled to 3-4ths, a period which not one man in 100 ever reaches. It is so rare for a man to serve the time that would entitle him to 3-4ths of his pay, that only one in about 232 since the force has been established has served that period.

89. You mean that the 3-4ths given in the Bill under certain conditions would not have been reached by any man up to the present except one in 232?—That is so.

Mr. Goldney.

90. It is an entirely exceptional case?—Yes.

91. While you are on that point, do you agree with what Mr. Sutton says, that it is only calculated to meet an exceptional case, and if the Committee think fit to deal with it by a separate clause, or deal with it in any way, you do not lay any stress upon it?—That is so. There is another point which should be borne in mind, and that is that in the case of a man who for exceptional causes it might be desirable to retain in the service after he has reached the age of 50 and until he had acquired a right to receive 3-4ths of his pay as pension, that during the whole of that period there would be a saving of the difference between the amount of his pension and that of the pay of his successor.

Chairman.

92. The object of this 3-4ths, which, as you must be aware, is a novel proposition as regards pensions, as I understand, is for the benefit of the police force. What I understand from your last answer is that it is to enable you to keep him in the service after he has reached the age of 50 years?—Yes.

93. And after that time, the usual rate being 2-3rds, you want to give him 3-4ths?—If you can induce him to stay on. It is specially desirable with reference to the detective department; they last longer than the men on the beats, and it is very desirable to have the benefit of their experience. It was thought desirable to induce these men to continue in the force after they had acquired a right to retire by holding out the prospect of their getting a little larger sum by giving them 3-4ths instead of 2-3rds.

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94. You

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Sir J. FRASER, K.C.B.

[Continued.]

Mr. Goldney.

94. You recognise it as an entirely exceptional case?—Yes.

95. Is it a case that applies more especially to the City than it would to the Metropolitan Police Force?—That I am not prepared to say. So far as the City is concerned, I may mention that it is not a matter of any great importance, because, as I have said, so very few would ever derive any benefit from it, that if the Committee think it should not be passed I do not think the Corporation would have the slightest objection to its being reduced to what the Committee originally recommended, that is 2-3rds as the maximum.

Mr. Baring.

96. If I understand rightly the Court of Common Council is at liberty, if it pleases, to grant gratuities independently of the pension, in special cases?—Not independently of the pension. It is the custom to grant gratuities of one month's pay for every year's service up to 15 years, because it is only when a man has served 15 years that he becomes eligible for a pension.

97. In the case of special merit there is nothing to prevent the Court of Common Council, in addition to the pension which the retiring policeman would have a right to claim, to make him a gratuity of their own free will?—They must do that out of their own private revenue.

Mr. Goldney.

98. They could not touch the rates for it?—They could not touch the rates for it. The draftsman thinks that last answer must be taken with a little reserve as a matter of law. He thinks under certain circumstances even the rates might be chargeable with a certain gratuity, that is under the 34th Section of the Act of 1839.

Mr. Wodehouse.—Such a right, if it exists, would not be destroyed by the passing of this Bill.

Mr. Goldney.

99. Clearly not. The three-fourths is calculated up to three-fourths, covering every exceptional occurrences, whether it should be dealt with as Mr. Sutton suggests as a separate clause, or struck out, is entirely a matter for the Committee. (To the Witness). Taking Mr. Godfrey Lushington's report, you have gone through it paragraph by paragraph, or rather you did when the Bill was in the House of Lords?—Yes.

100. The next paragraph is as to the scale of the Metropolitan force. Have you a copy of that scale with you?—Yes. This scale is now in operation in the Metropolitan Police. After 15 years' completed service pensions may be granted of 15-50ths of the pay; formerly it was 30ths, and it was from their having pensioned the men on such a very high scale that their deficiency of something like 140,000*l.* was created. This is under an order of the 26th December 1873. After 15 years' completed service pensions may be granted of 15-50ths of the pay; for each year of service completed up to 20 years an additional 50th of the pay. From 20 to 25 years completed 2-50ths for each year, and for 25 years completed when the pension will be 2-3rds of the pay, being

Mr. Goldney—continued.

the limit fixed by Act of Parliament, all such pensions to be for life. That is precisely the scale which we propose in this Bill, the only difference being that we give the man a right to claim, which the Government proposed to do instead of keeping them on until they are 60 years of age and useless.

Chairman.

101. Is that scale you have read out to us identical with the scale you propose under your Bill?—Exactly.

Mr. Goldney.

102. The next paragraph institutes a comparison between the superannuation proposed with the City Police and the superannuation of the Civil Service. That is paragraph 6 as you have got it?—I say that there would seem to be no analogy between the cases of civil servants of the Crown and those of City police constables. Instead of its being a fact that constables who are pensioned on medical certificate may be taken to be of very good general health and to have good lives, the very opposite is the case with men discharged from the City police, in proof of which it may be stated that of the number so discharged during the last 10 years, 25 per cent. of them (within a fraction) have since died. And the reason for this is not far to seek, when consideration is given to the serious risks which constables incur in the discharge of their manifold duties, to the bodily injuries they so frequently receive, and to the fact of their being constantly exposed by night and day to every variety of weather at all seasons. Civil servants of the Crown escape all these risks, and may frequently be healthy men, as it is believed many of them are, at the age at which they are entitled to retire.

Chairman.

103. Clause 4 of the Bill provides for special pensions for constables injured in execution of duty, which it is said are not differentiated as in the Metropolitan Police rules?—I would say in answer to that, that with the exception of the words "without his own default," the clause in the Bill we propose is almost identical in terms with Section 12 of the existing City Police Act, and no difficulty has ever been experienced in deciding on the merits of each case affected by it since the force was established 50 years ago. The fact is that so very few men are discharged from permanent injuries received in the execution of their duty, compared with those who receive accidents which oblige them to be taken into the police hospital, that there never has been any difficulty at all in deciding as to the men to be recommended within the terms of the Police Act, that is, that the whole of a man's pay, if he is permanently injured, should be paid to him. That has been the case during the time I have been at the head of the police affairs now for 27 years, and as I find was the case formerly, so that there is no necessity really to make any special scale for men injured in the execution of their duty.

Mr. Goldney.

104. The Metropolitan Police being more than 10 times as numerous?—Twelve times.

105. What

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Mr. Goldney--continued.

105. What is necessary in that force is really unnecessary in the City of London?—Is really absolutely unnecessary in the City.

Chairman.

106. How far are those conditions altered by the proposals now to confer the pension as of right?—They would not be altered to any extent, because we provide in the Bill now that if a man is injured in the execution of his duty to such an extent as to require his being discharged, it is competent for the Common Council to give him the whole of his pay.

Mr. Baring.

107. As a rule, do they?—In the very few cases that it has been found necessary it has always been done.

Mr. Pickersgill.

108. Of the 210 men pensioned, are there any who are now receiving the full pay?—I think there may be one; I am not quite sure whether that man I have in mind is really dead or alive; but I think there is one at this moment who is alive.

Chairman.

109. Then I understand that this clause in your Bill, upon which observations are made in this paragraph of the Home Office Report, about which we are asking, is identical practically with the clause in your present Act?—It is.

110. With the exception of these words, "without his own default"?—Yes.

111. Why are those words inserted?—That I cannot say. Those words were introduced into the different Government Bills. I do not know exactly what the meaning of it is; I never could really understand it.

Mr. Goldney.

112. Then with reference to the next point, Clause 10?—As to that clause, Mr. Lushington says, "There appears to the Secretary of State to be no reason why the civil officers of the City Police Force should be pensioned off on the same scale as constables, more especially the existing civil officers who have suffered and will suffer no deduction from their pay." He rather contradicts himself there, as compared with what he says in the previous paragraph, that civil servants who retire on a medical certificate are necessarily broken-down men, and the statement also that civil officers of the City Police Force will suffer no deductions from their pay is incorrect, provision being made in the Bill that such a deduction shall take place.

Chairman.

113. How many civil officers have you in connection with the force?—Only two, the serjeant and the receiver.

114. Are all the clerks constables?—All the clerks are constables.

Mr. Goldney.

115. And have all served as constables?—Yes.

116. I mean they are *bonâ fide* constables?—Yes.

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Mr. Pickersgill.

117. Are not the clerks now actually engaged in civil work?—Yes.

118. For instance, one of the clerks has been engaged for many years in that capacity?—Yes.

119. In pure civil work?—Yes. At the same time they are kept on as constables in the event of their breaking-down by being kept at work indoors, that they may be exchanged and go on duty in the streets if necessary. That has been done more than once.

Chairman.

120. Obviously it would create great inconvenience to put them on a different footing, as to pension, from the other constables?—Yes, and would be very unfair, because while they are working as constables they are paying to the superannuation fund $2\frac{1}{2}$ per cent.

Mr. Baring.

121. Are these men given the civil work because they have suffered in any way?—Practically the only civil officers in the City Police are the receiver and the surgeon.

122. I mean the police who do clerical work; are they generally persons who have been damaged in their ordinary work?—Oh, dear no; they are men who have some special aptitude for the work. There are only three of them.

Mr. Wodehouse.

123. The number of these men would always be very limited?—Very limited. There are only three, and never have been more, and of course the surgeon and the receiver are appointed for special qualifications. You cannot appoint a man as a surgeon who has not had experience as a medical man and long experience.

Mr. Pickersgill.

124. With regard to the chief clerk, I see here that he has been clerk for 15 years. Is he now receiving only the mere maximum pay of a constable?—No; he is receiving the pay of a clerk.

125. What is the actual pay of that service?—He receives the same pay as a detective serjeant. The chief clerk receives 250 l. a year, the second one, 180 l., and the third, 145 l.

126. What is his rank in the force?—He ranks as an inspector.

Chairman.

127. At present the surgeon and receiver are pensioned in a different way. What is the Act now with reference to pensioning the surgeon and receiver?—They were included in the Act of 1874.

128. Perhaps I had better ask you first with reference to the pension of the Commissioner of City Police?—Up to the passing of this Act in 1874 the Commissioner of the City Police was the only police officer in the kingdom for whom there was no provision by Act of Parliament for pensioning, and this Act was passed by the Corporation in 1874 to empower them to pension the Commissioner, and the surgeon, and the receiver.

129. Then they were all on the same footing?—All on the same footing; and it is proposed under this Bill, as it was in all the Government

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[Continued.]

Chairman—continued.

Bills, to put the Commissioner of Metropolitan Police and the receiver on the same footing as constables. It says here, "And whereas the Corporation desire, and it is expedient that provision be also made for the payment of pensions to the Commissioner and other officers of, and persons employed in, or in connection with the City Police Force on their retirement from office, or employment to be payable from the like sources as the expenses of the City Police Force."

130. When you say Commissioner, I suppose you have a Deputy Commissioner?—No, I am the Commissioner.

131. You have no Deputy Commissioner?—No.

Mr. Pickersgill.

132. What is the rank of the next officer under you?—Chief Superintendent.

Chairman.

133. That is Colonel Smith?—Yes.

134. What do you say to the observations of the Home Office on this point. They say, "The scale of pension proposed in the Bill was specially framed to meet the case of constables, the nature of whose duties is such as to require their retirement at an earlier age than is necessary in most other employments; it is inappropriate to the other classes of officers mentioned in this clause"?—Those being the civil officers.

135. Those being the civil officers?—Yes; and yet Mr. Lushington says that civil officers, as a rule, break down much more freely than City constables do, in a previous section, and actually contradicts himself.

136. We are rather more concerned now to get at the actual facts than the opinion of Mr. Lushington. The point is whether, this being an exceptionally favourable pension scale, more favourable than the Civil Service scale to which, from your point of view, and I dare say very truly, the police are more entitled in consequence of their duty, and so on; if that be granted, upon what ground is the surgeon to have such a pension, or the receiver, or even the Commissioner himself?—Because it is provided in the Bill that henceforth they shall contribute in the same proportion as the constables do to the superannuation fund. Two and a-half per cent. shall be deducted from the salaries.

137. I quite understand that, but still it is an advantage which is proposed to be given to them, and the criticisms of the Home Office are in the direction of saying it would be an expensive arrangement?—But it is their own proposal in their own Bill. The receiver was actually included in their own Bill.

Mr. Pickersgill.

138. Following the name of the receiver, are the words, "Or any officer of the force"; who are comprised within the term "officers"?—There are no others. That is surplusage really.

139. Colonel Smith does not rank as an officer?—He is a constable; he comes in as a constable.

Mr. Baring.

140. You would not contend that these constables who are employed as clerks are ex-

Mr. Baring—continued.

posed to the same heavy wear and tear as the constables who are on their beat?—But they have served, all of them, as constables, and are liable to be called to serve again.

141. Practically, they have not served as long?—No; but they are confined in a close room in the City all day long, and work much longer hours than the constable.

Chairman.

142. Then there is the last paragraph in the clause referred to, with reference to added years; does that still remain in your Bill?—Yes; only it is optional. In the Metropolitan Police the Commissioner and Assistant Commissioners, under the terms of their appointment, have a right to a certain number of additional years of service; and, counting for pension, the Commissioner of the Metropolitan Police is entitled to count 10 years, and the Assistant Commissioners five years. It is proposed in this Bill not to give them the right to claim that, but to leave it optional with the Common Council to add any number of years within those specified by the Bill in counting pensions; so that it is not compulsory upon the Council to do that; it will be left optional with them to do it at their own discretion.

Mr. Goldney.

143. At the present moment that discretion is unlimited?—In what respect?

144. In the Common Council?—There is no power to add any number of years.

145. Excepting by giving a gratuity of their own?—They have no power to add any number of years to a man's service now, to enable him to claim a pension and grant him a pension.

Chairman.

146. To make it clear under the Act of 1874, under which the Commissioner, surgeon, and receiver can be pensioned, what are the limits of the pension there?—Two-thirds.

Sir Herbert Maxwell.

147. You have spoken as to the effect upon the lives and healths of the constables of their peculiar duties. Have you seen a report by Dr. Farr, in 1862, on the Metropolitan Police?—Yes. I have forgotten the contents of it, but I remember that it was referred to me at the time that I gave evidence before Sir Selwin-Ibbetson's Committee. I may mention this, I think that the scale recommended by Dr. Farr at that time was adopted for a very short period in the Metropolitan Police, and it created such dissatisfaction among the men that they were really obliged to adopt the present scale.

148. That is not my point. My point is the effect upon the health and lives of the men, of their peculiar duties?—I have not studied that sufficiently to be able to give any information on that point.

149. Dr. Farr says that the annual mortality of the Metropolitan Police Force is 7.5 per 1,000. This is below the average of London in the corresponding ages, and half the mortality of the Guards in former years?—He speaks with reference to the Metropolitan Police only. I know this, that the percentage of sick in the City Police,

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[Continued.]

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Police, as a rule, is considerably less than the percentage of sick in the Metropolitan Police, and I think that arises almost entirely, certainly chiefly from the fact of our having a hospital in which the men are treated and carefully looked after.

150. Then if your rate of mortality and average of sickness in the City Police is less than that of the Metropolitan Police?—I do not say anything about the mortality.

151. If the rate of sickness is less in the City Police than the Metropolitan, and less in the Metropolitan than in the rest of England, the health of the City Police must be considerably better than the average?—It is from the cause which I allude to.

152. Why should the service be considered to come to a natural end at an earlier period than those of ordinary labourers, or of soldiers?—I do not think that it is so. I think that you will find very few soldiers serve 33 years or 25 years, or anything like it. I know when I was in the Army we discharged men, as a rule, after 20 years' service, they were found unfit for further service in those days. Now I do not see how they are able to make any comparison, because the service now in the Army is short service. Men are discharged into the Reserve and nothing more is heard of them. Of course the young lads who are now taken into the Army, if they are sent on foreign service, die off more quickly than they would.

153. Foreign service does not come in. I was thinking of the Guards only?—I think the Guards are exposed to temptations in London, which are very likely to affect their constitutions.

154. The police are above those fears?—I do not think a Guard's character is looked into when he enlists. The police character is very carefully looked into and all his antecedents.

155. Do you remember this paragraph in Dr. Farr's report: "If all the labourers, gardeners, shoemakers, carpenters, masons, &c., in the country at the age of 35, 40, or 45, had the offer of retreating from their present employment upon half or two-thirds of their actual wages, provided they prove in a given year of service incapable from infirmity of mind or body to work, it is not improbable that in rheumatism and other ailments they would be little behind the police candidates for pensions"?—It is possible that may be. I am really not able to offer any opinion on that subject at all, but it must be borne in mind that the police are specially selected. A labouring man who is not mechanic, or has no regular trade, is exposed day and night to work at all times; whereas if the police were exposed in that way we should very soon get rid of them. They are better clothed and better protected against the weather.

156. You are aware, are you not, that Dr. Farr's report generally was not in favour of a right to superannuation?—Yes, I am aware of that, and as I say, when Dr. Farr's views were embodied in the order of the Metropolitan Police they were found really to be impracticable.

157. Now, as regards the scale in the Metropolitan Police, which I think you said was the same as the City Police, of retiring by fiftieths? 0.125.

Sir Herbert Maxwell—continued.

—No, the same as we wish to introduce in the City.

158. I think you answered the Chairman that you are aware that that is considerably higher than the scale of the towns and the Civil Service?—With this difference, that in the Civil Service they retire on sixtieths, but they have a right to claim retirement after a certain age and after a certain limit of service. I was speaking of the officers of the Metropolitan Force. I know they retire, and not only have a right to retire, but they have a right to add so many years to their period of service and giving them that right. Comparing for instance the Commissioner of the City Police with the position of the Commissioner of the Metropolitan Police, the Commissioner of the Metropolitan Force adding ten years to his service to acquire a right to two-thirds of his pay many years before the Commissioner of City Police could claim it even under our present Bill.

159. After 20 years service, a member of the Metropolitan Police can retire on two-thirds of his pay?—That is so.

160. That is what you are proposing now?—Yes.

161. That would be equal to 40-60ths, of course?—Yes, 2-3rds.

162. From that is it not clear that the difference in favour of the Metropolitan Police as compared with the Civil Service is in favour of the Metropolitan Police to the extent of 12-60ths?—As I think it should be. As I have said already, the members of any police force are exposed to much greater vicissitudes than members of the Civil Service.

163. Do you include in the Civil Service postmen and telegraphists?—I do not know that they are on the Civil Service scale at all. I was speaking simply with regard to the police officers service being included. With regard to the Metropolitan Police in adopting the scale which has been in operation so long, they must have considered all those matters, otherwise the Home Secretary would never have approved of this scale.

164. When you talk of the Civil Service being exposed to no risks, you have in mind Treasury clerks and gentlemen in comfortable offices?—Yes.

165. You did not think of artisans at Woolwich, and postmen exposed to weather in the country, and all sorts of vicissitudes?—No, I have not taken those into my consideration at all. It was simply a question with regard to what was desirable for the police, as has been admitted by the Government frequently, and so is in operation in all the police Acts that are in existence now and have been passed.

166. You would admit, would you not, that some of the members of the Civil Service, such as I have alluded to, are exposed to conditions not less rigorous than those of the police?—You speak of the mechanics at Woolwich Arsenal. It must be borne in mind that their pay is much higher than the police get. These men probably work by the hour, and get as much as 8 *d.* or 1 *s.* an hour. I know what it is with artisans, as a rule.

167. There are also labourers at Woolwich?—
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[Continued.]

Sir Herbert Maxwell—continued.

So there are, but they are paid according to their capabilities.

Mr. Pickersgill.

168. I want to return to this question of fixing the maximum of pension at 3-4ths. You said in defence of that that it is only to apply to particular cases, with a view to keeping police constables in the force in some cases, and especially to apply as regards detective officers. That I understood was your account?—It was with that view to a great extent.

169. The question I want to put on that is that whatever may be the value of that argument, would it not apply equally to other police forces?—I dare say it would.

170. Then, can you explain how it happens that in all the Bills which we have the maximum has always been fixed at 2-3rds, and not 3-4ths as you propose?—You must bear in mind that as yet no police force in the country has acquired a right to claim a pension.

171. That is quite true; but in these Bills it was proposed to confer the right exactly as your Bill proposes to confer it, and so far they are on all fours?—When we come to 3-4ths, this is the first time it has been proposed to make that the maximum.

172. That is what happened in all the other Bills; it has been proposed to make it 2-3rds, but the absolute right has been conferred in both cases. The absolute right being in both cases conferred, I want you to explain why you fix the maximum three-fourths and in other cases, in the Government Bill and Sir Selwin-Ibbetson's Bill, it was fixed at only two-thirds. I do not think we have yet got a differentiation between the two cases. My question is whether you can show any distinct ground of difference?—The effect, so far as the City police is concerned, is a matter of no appreciable moment, because any man who would be entitled to three-fourths would have to serve 33 years, and it is a very rare thing indeed for any man to serve so long as that.

173. That is true; but may I call your attention to the operation of that provision in connection with Clause 10 of the Bill, where power is given to add to years in certain cases. In those cases you see it would be in the power of the Corporation to give three-fourths instead of two-thirds?—No; not to a constable.

174. Exactly; but giving that power in those exceptional cases where 10 years are added?—Only in regard to those who are not constables, only two or three individuals, the Commissioner and the civil officers so called.

175. The Commissioner, receiver, and surgeon, and "any other officers" you have said is surplusage. I do not know whether I ought to ask you this or the actuary. Founding myself on the statement which is made here that there is a permanent annual deficiency on the Metropolitan Police Fund of nearly 150,000 *l.*, your force, I understand, is one-twelfth the size of the Metropolitan Police Force, and, therefore, if the two cases were parallel there would be an annual deficiency upon your fund of 12,000 *l.*?—That is so.

Mr. Pickersgill—continued.

176. Whereas, strengthening my argument, the Home Office in its report points out that your terms are more favourable than the terms of the Metropolitan Police, I conclude, therefore, that this is correct; and if I may assume that the two cases are parallel, that there should be an annual deficiency on the superannuation fund of the sum of 12,000 *l.*, which differs very materially from the conclusion which you have laid before the Committee?—Mr. Lushington is in error to begin with, with regard to his figures. He puts it at nearly 150,000 *l.* The actual deficiency, according to the Receiver of the Metropolitan Police in his printed statement for this year, is 139,000 *l.* only, instead of 150,000 *l.* The real effect of the Metropolitan Police deficiency, amounting to what it amounts to now, is very easily explained. Every police force on its establishment goes on adding every year to the amount of the fund for 20 years, or rather more than 20 years. I will show you here how it was with our City Police. It began in 1839 when we were established, and up to the year 1861, that was 22 years afterwards, the fund went on gradually increasing until it amounted to 29,993 *l.* Of course the same thing happened in the Metropolitan Police, and it happens in all police forces, and gradually from that time when it attains its maximum it diminishes year by year.

177. Do you mean the annual charge diminishes?—No; the amount goes on gradually diminishing.

178. The capital?—Yes.

179. First increasing and then diminishing?—Yes; it attains its maximum in 21 years. The Metropolitan Police began on the system which we are acting upon now; that is, of pensioning their men upon 30ths and 50ths, and the consequence was that they started in the year 1839, just as we did, so that in the year 1861 in all probability they must have been in possession of a very large amount of money to the credit of the superannuation fund. Then they attempted, as we did, to diminish it until they had got this large deficiency, and they must not only, you see, have exhausted all the amount that they have gradually collected, but have got into this tremendous debt, owing to the pensions which they were giving to their men. That is the mistake which we have been committing, and that is what we now desire to rectify by reducing the pension and giving the men an equivalent, by allowing them to claim a right after a certain time.

180. With regard to the addition of years for the professional qualifications, I should like to ask you whether your attention has been called to what the Commissioners on Civil Establishments say upon that subject in their report; I call your attention to paragraph 102?—I have never seen that; I think that is a recent publication.

181. It is quite recent. It was a strong Commission, appointed to consider the question of civil establishments, and this is what they say upon the particular point which I am now on. "We do not doubt the necessity of the provision which enables a higher pension to be given for professional officers, by adding a number of years to the actual service years. In our opinion, such

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such a man is better remunerated by a sufficient salary, which, being an immediate charge, is likely to receive greater attention than a prospective addition, and we see no reason why the pension should bear a higher proportion to the salary in these cases than in others"?—The answer to that I think, as far as the police is concerned, is that a police constable may enter the service at 21, the civil officers, that is the receiver and the surgeon must be appointed for professional qualifications, and necessarily they cannot hope to serve so long as a constable who was appointed at 21; and the object of allowing the Common Council to add so many years to their service is because by remaining on until they were very old men, they would really become very unfit for their work to entitle them to pensions. That is the object of giving the Common Council the power to add years, as in the Metropolitan Police, both to the receiver and the Commissioner. A man who enters the service at 30 or 35 is not likely to live so long as to be entitled to claim a pension as the constable who joins at 24.

173. I do not think you have quite addressed yourself to the alternatives which the Commissioners suggest, that he should receive a larger salary; compensation being made to him in that way. That is the suggestion made by this strong Commission?—I daresay the civil servants, the receiver and the surgeon of the City Police, would be very glad if their salaries were increased. At this moment, one of them, I think, receives 350 *l.* a year, and the other 300 *l.*

174. There is one other important question which I want to raise. In this Bill no provision whatever is made for widows or children in the case of a constable being killed on duty or dying from an injury received on duty?—Yes, the provision already exists for that. There is a widows' pension fund in the City. All constables subscribe voluntarily to that, and the Corporation adds 1,000 *l.* a year, and every widow of a constable who dies in the service from any cause, or even after he is pensioned, if he continues to subscribe to that fund, is entitled to so much a week according to the length of her husband's previous service, and according to the amount that he has subscribed.

Chairman.

175. Is there any provision for orphan children?—No, but most of our orphan children are provided for by the Police Orphanage. They are taken in there, and those for whom there is no room in the orphanage receive 7 *s.* 6 *d.* a week, so that each child really is provided for.

Mr. Pickersgill.

176. With regard to Clause 8, the conditions on which the pension may be forfeited, I want to call attention to the conditions of Sub-Clause D.: "If the grantee is guilty of any conduct which is, in the opinion of the Common Council, on report of the Commissioner, disgraceful"; I want to ask you whether you would have any objection to adopting, on that point, the corresponding provision in the rules of the Metropolitan Police, which is as follows, and which seems to me not so stringent, and fairer to the constable. If he enters into or continues to carry on any

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Mr. Pickersgill—continued.

business, occupation, or employment which shall be, in the opinion of the Secretary of State, disgraceful in itself, or injurious to the public, or in which he shall make use of the fact of his former employment in the police in a manner which the Secretary of State considers to be disgraceful and improper"?—Those are regulations of the Metropolitan Police. This is not in the Police Act.

177. I presume it would have the force of statute. It would be made in accordance with statutory powers?—The clause in the Act itself is what those regulations are founded upon.

178. I will quote this which was suggested in Sir Henry Selwin-Ibbetson's Bill, and I think it is of a somewhat similar kind. It strikes me that, as it is drawn in the Bill, it is too vague, and it is unfair to the constable?—The Act itself provides that nothing herein contained shall be construed to entitle any constable absolutely to any superannuation allowance, or to prevent him being dismissed without superannuation allowance without giving any reason for it at all. Those are the terms of the Metropolitan Police Act.

179. It does not seem to me to be provided for in this Bill. Do you know whether it was provided for in Sir Henry Selwin-Ibbetson's Bill?—No; but in the Government Bill provision is made.

180. Can you quote the clause in the Government Bill?—It is Clause 10 in the last Bill: "Pension or allowance under this Act is granted only upon the condition that it becomes forfeited, and may be withdrawn by the police authority in any of the following cases: if the grantee is convicted of any indictable offence."

Chairman.

181. This Bill follows those words?—Yes. "If the grantee knowingly associates with thieves or suspected persons; if the grantee refuses to give the police all the information and assistance in his power for the detection of crime, for the apprehension of criminals, and for the suppression of any disturbance of the public peace; or if the grantee is guilty of any conduct which is in the opinion of the police authority disgraceful, or if he enters into or continues to carry on any business, occupation, or employment in which he has made use of the fact of his former employment in the police in a manner which the police authority consider to be disgraceful and improper. It seems to me that is rather more vague than ours.

Mr. Pickersgill.

182. The words which commence are the same. Would you have any objection to adopt the rule of the Metropolitan Police?—Not the least in the world; I do not think it would make any difference whatever. The intention is the same in both to get rid of a disreputable man and make him forfeit his pension.

Mr. Goldney.

183. I ask Sir James Fraser to give that answer, subject to the necessary correction of the draftsman?—I am speaking as a matter of principle.

Mr. Wodehouse.

184. I understood you to say you did not attach

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[Continued.]

Mr. Wodehouse—continued.

attach any importance to the retention of that maximum of 3-4ths?—No, I did not actually. As I say, so far as we are concerned the effect of it would scarcely be appreciable, but it was thought desirable to put it in with a view to retain the service of very valuable men, some few of them.

185. In rare cases?—In rare cases.

186. Do you attach importance to this addition of years for professional qualification?—Yes, I do; I think very much so. For instance, we will say that if I were to retire to-morrow and a commissioner of police were appointed, they would not appoint a young man, they would appoint a man of previous experience, a man who probably would not live long enough to obtain a right to claim a pension under the provisions of this Bill, and therefore I think it is only fair that the Common Council should have the option, if they please, particularly as the expense will be borne entirely by them and not by the Treasury, to add a certain number of years to enable him to claim a pension under the Bill, the same as a constable.

187. But if the provision were not retained it would be open to the Common Council to fix the salaries of these officers without a Bill?—They can fix the salary at any moment they please.

188. For which no Bill is required?—For which no Bill is required.

189. Then reference was made to a report of Dr. Farr, which objected to the grant of a right of pension. Can you tell me the date of that report?—1862. It is an old story.

190. Therefore the Government Bills which were brought in and abandoned in successive Sessions, were long posterior to that?—Long; they all took that into consideration.

Sir Herbert Maxwell.

191. I also asked questions on Dr. Farr's report of 1872?—

Mr. Wodehouse.

192. Both reports were anterior to the Bills?—Yes.

193. And the Committee did not take Dr. Farr's views?—No.

194. Are not the City of London Police in a very advantageous position as regards their pension at present in a pecuniary point of view. I mean with regard to the amount of pension they receive?—No, they are upon exactly the same footing. The clauses in the Metropolitan Police Act, and the City Police Act, are the same, that is to say, after 15 years they are eligible for half, after 20 years they are eligible for 2-3rds. The custom has been ever since the police has been established, whenever a man has been certified to be unfit, either physically or mentally, to give him the amount for which he is eligible. The men, therefore, look upon that almost as a right now, and it is with the view to prevent that in the future, and so to save the rates and the superannuation fund, that this Bill has been introduced.

195. I see Mr. Sutton's memorandum says that the provision under which pensions have been granted are extremely lax and vague, and have given rise to great inconvenience, and have

Mr. Wodehouse—continued.

also led to the scale of pensions hitherto granted being unusually high?—They are all within the provisions of the Act.

196. But the result of it has been that pensions excessively high have been granted?—The maximum has been granted for every case.

197. Therefore, I say that they have been very advantageously treated as regards the amount of pension?—There is no doubt that the unfairness of it is this, that a man after 20 years has been given his 2-3rds, and a man after 30 years can only get 2-3rds also. This Bill was with the view of paying a man so much for every year of his service, and not to put a man of 20 years' service and a man of 25 years' service on the same footing.

198. Has the City of London brought in, or attempted to bring in, before this Session a Bill of this kind?—No; they have never attempted to bring in any Bill of this kind, and it is simply because the Government promises, so to speak, have not been fulfilled that the City of London introduced this Bill.

199. That is your motive for bringing the Bill forward now?—Practically, I may say it is; because we have waited for 15 or 16 years since the report of Sir Selwin-Ibbetson's Committee, and as I said in the memorandum that I wrote on this subject, the City having waited for six or seven years, and seeing no prospect whatever of a general Bill being introduced, and that their superannuation deficiency is increasing so rapidly, that it is desirable to introduce this Bill, embodying the principle which the Government had recognised so frequently, and adopting the scale that the Government had approved with the view of saving the ratepayers and giving the men what they desire, that is to have a right to claim a pension after a certain number of years' service, and at the same time to lessen the charges on the superannuation fund.

200. Therefore the urgency which moves you is created by the long-postponed introduction of the General Bill?—That is one reason, but the chief reason is that the City was for the first time introduced into these Government Bills. The City has been excluded from every public Bill that has been passed in regard to the Police of the country since its first establishment, and for reason, that the City receives no assistance at all from the Treasury, nor has it received any assistance from the Treasury, and the ratepayers in the City are consequently in a worse position than ratepayers in the Metropolis, because ratepayers in the City contribute 3-4ths to the expenditure. In the Metropolis they do not contribute anything like that, because the Government pays one-half. Therefore it is entirely in the interests of the ratepayers that this should be done, as well as in the interests of the constables themselves.

Mr. Stevenson.

201. I understand, under the proposed scheme, that if a man has served 25 years in the force he will be entitled to 2-3rds pension. Have you any idea as to the exact number of men who are now receiving pensions, and who have served for more than 28 years in the force?—I should think very few of them have served as long as 28 years.

I could

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[Continued.]

Mr. Stevenson—continued.

I could give you that information, but I cannot give it offhand. All the persons who have received pensions, or are receiving pensions, have been discharged medically, and therefore I do not think it is likely that any of them, or at least very few of them, would have served 28 years, because their average services now in the last 10 years has only been 22 years and a few months.

202. Even if the 3-4ths maximum were established, the number of those who would receive more than 3-4ths would be infinitesimally small?—As I understand only one in 232, since the force has been established, has served long enough to entitle him to 3-4ths if he had been alive, under the provisions of this Bill.

Chairman.

203. I understand that with reference to the recommendations of the House of Commons Committee as to widows and children, their case is met by the provision which exists in the City?—Yes, it is.

204. That is the reason why you have not put that in your Bill?—That is so.

205. Now with reference to this point of the 3-4ths salary, I understand the object is in order to retain in the service of the police experienced officers. Cannot that be done by giving them an increased pay?—It might be done.

206. Does not that of itself carry increase of pension?—That would carry an increase of pension naturally.

207. From your point of view, and understanding your natural desire to retain in the force men who have already got a right to take the maximum pension according to their existing salaries, would not the object be met by an increased salary to men in that position, which would in itself carry an increased pension at the expiration of that time?—I do not know that there would be any saving in that, for this reason, that during the whole time those men would be serving there towards entitling them to three-fourths you would be saving the amount of their pension whatever it might be.

208. I do not understand you to say that you represent the City Police as being in a different position from the urban police of any other large borough in the country?—No, I think not.

209. Not being the case, is it not rather possible, to say the least of it, that if this Bill becomes an Act of Parliament it might be a precedent for public legislation?—As I said, I do not think (the Corporation officers are here now) that there would be any objection on the part of the Corporation to drop that altogether, and to leave it to the maximum of two-thirds. I think it is really of so little importance altogether that it is not material.

210. I merely wish to ask you whether the object could not be met (whether it might cost a little more or a little less I do not now deal with) by increasing payment for what they are worth?—There is no doubt it could be.

211. There is one question I should like to ask you; how do the salaries of the City Police compare with the Metropolitan Police?—The pay of the men, I think, is very nearly the same. Our pay is a little better, inasmuch as we include

0.125.

Chairman—continued.

in the men's pay, before it is deducted, the amount of 2½ per cent. to their superannuation fund, and in that respect they have a slight advantage over the Metropolitan Police, that is all.

Mr. Baring.

212. That is to say, you pay them 2½ per cent. more, practically?—That is so.

Chairman.

213. With respect to the present arrangements in granting pensions, do I understand, when the age is attained, and when the other conditions have been fulfilled, as a matter of fact the Common Council give a pension according to the maximum scale?—Always, and have done so.

214. Do they take into consideration the black list, if there be one, against the particular constable?—No.

215. Is there any diminution or variation as to the amount of pension on account of that conduct?—No; it is considered that if a man is not dismissed and you avail yourself of his services up to the period of his discharge, that having been punished for any offence he may have committed, that really condones the offence and should not affect his pension. I think the present Home Secretary has admitted that in the House of Commons not long since, and has made a rule to that effect, that any offence a man may have committed should not affect a man's pension to reduce his pension, if he has not been dismissed for it.

216. That comes to this, that at the present moment if the pension is granted at all, there is no diminution from the maximum on account of any registered bad conduct?—No, except in this respect, that a man is pensioned upon the class that he is serving in and the time he has served, and therefore if a man's conduct has not been good he is invariably in the lowest class, and he is so punished, and is punished in that way rather indirectly instead of directly.

217. I do not know whether you have considered the question, but in this Bill is there an appeal given to a man who is dismissed?—No, there is no appeal given in this Bill.

218. Was not that a recommendation of the Committee which we are following pretty closely in this Bill, that there should be an appeal?—Yes, there was an appeal; that a man should not be dismissed after 15 years service without an appeal.

219. What is your view upon that point. The Committee appear to have considered it necessary that when they gave a right to a pension which had not previously existed, it would only be fair that the constable dismissed should have some right of appeal. Now is not that included in your Bill?—It does not exist in the present Bill, in the City Police Bill, nor any Bill of the Metropolitan Police, nor in any Bill existing now.

220. I only asked as to one of the recommendations of the Committee to which we have so frequently referred, and I should like to have your view as to whether it would or would not be desirable to give such an appeal?—As a matter of fact, I speak from long experience in the City Police; it is a very rare thing indeed

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[Continued.]

Chairman—continued.

to dismiss a man who has served for 15 years. It must be some very gross misconduct indeed. I can say this, it is never done, no man is ever dismissed without getting a premonitory caution, that is to say, if he seems to be going wrong I have him up and tell him, if he is reported again within a certain period, say within a year, for any serious offence, that he will be dismissed, and the result of that is, it stops numerous young fellows who join, and are, perhaps, a little wild, knowing that they will dismiss themselves if they commit themselves any further.

221. In your view, it is not necessary to give an appeal?—It is not necessary, so far as we are concerned.

222. In dealing practically with the City entirely?—Yes.

Mr. Wodehouse.

223. What is the average number of your dismissals in a year?—Very few indeed. I could not give you exact numbers, but I think out of the whole force probably three or four, in the course of the year, would be the largest number, and they are, generally speaking, young fellows who join, and we find that they are not suitable to the police force; and we are glad to get of them in that way, before they acquire any right to a pension.

Chairman.

224. Following that out, in all probability the cases of dismissal that take place after the time a man had obtained his right to a pension would be infinitesimal?—Quite so; I am quite sure of that.

225. That would be the experience in most police forces?—I am speaking now from an experience of 34 years altogether, and I am quite sure there could be no necessity for it as far as we are concerned.

Mr. Goldney.

226. Might I interrupt. We have a return here made to Parliament in 1882, which bears out exactly what Sir James was saying, and it gives here, in one of the returns, the numbers that have left the force throughout all the

Mr. Goldney—continued

counties, both in London and other places, during the past five years, with not less than 15 years' service, and those dismissed in the City of London of more than 15 years' service are none in five years. That, I may say, seems to obtain generally in pretty nearly all the police forces.

Mr. Pickersgill.

227. The Bill of Sir Henry Selwin-Ibbetson gave an appeal also in case of forfeiture after the pension had been granted. What do you say to that?—That is provided for in this Bill. I do not know who they are to appeal to, but it is granted for life.

228. Subject to forfeitures in certain cases?—In certain cases.

229. This Bill gave an appeal in England to the next court of general or quarter sessions?—It is only to be forfeited if they are convicted of any of these offences, and on conviction it would be forfeited as a matter of course.

230. It gives a conviction if, in the opinion of the Commissioners, a man is guilty of misconduct?—On the report of the Commissioner to the Common Council, the Common Council would decide.

231. That is hardly a conviction?—The Common Council would be the court of appeal.

232. As I understand it, this Bill gave an appeal from the local authority?—Yes, the local authority. It depends on who the local authority would be. The local authority then would be the watch committee, the watch committee corresponding with the chief constable of a county, so to speak, the Commissioner of Police, and then the Court of Appeal would have been under the old system, I suppose, the Court of Quarter Sessions, or now the Court of Common Council in the City.

Chairman.

233. Supposing the Committee should be of opinion that there ought to be inserted some appeal, what would be the appeal and to what body. You would not, as I understand, dismiss a man in your city of your own motion. Would it go before the Common Council?—Under the Bill it would go before the Common Council.

Mr. WILLIAM SUTTON, sworn; and Examined.

Mr. Goldney.

234. Are you at the present moment the President of the Institute of Actuaries?—Yes.

235. Were you consulted last summer or autumn by the Corporation with regard to this question of superannuation?—Yes.

236. In the City at the present moment superannuation is an existing fact with which you have to deal. It is not starting a new system altogether?—No, certainly not. I have the history of these facts for the last 20 years before me in one form or another.

237. Will you kindly tell the Committee the state in which you found the statistics and accounts of superannuation with regard to the City Police and the suggestions that you made?—I asked Sir James Fraser and the Remem-

Mr. Goldney—continued.

brancer to furnish me with such particulars as appeared to me to be necessary for the purpose of giving me full information as to the past 10 years' history of the fund, and it will simplify matters if I state to the Committee that in my investigations I, to a great extent, adopted the same method as that set out by Dr. Farr in the report which has been mentioned here to-day. The calculations took sometime to complete, and, as Dr. Farr has already pointed out, that sort of principle is always very troublesome to deal with, but after I had completed them, I arrived at certain results, which may be briefly stated thus, that on the assumption of the City Police Force in effective service being 1,000 men, there would be in the scheme laid down in this Bill, as compared

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Mr. SUTTON.

[Continued.]

Mr. Goldney—continued.

pared with the existing practice of the City Police Force, a saving of some 4,000 *l.* to 5,000 *l.* a year in respect of the pension allowances, and in the report that I made to the City authorities. I stated that fact, which you will find mentioned again in the memorandum that is printed.

Chairman.

238. Supposing the superannuation is to be composed, as it is now, of the proportion of 2½ per cent., and the other various items which, as we know, composed that superannuation fund, and supposing this pension scheme to come into operation which is embodied in this Bill, what is your estimate of the deficiency of that superannuation fund per annum when the force gets into its normal condition. Have you made that calculation over a long period of years on the estimation of 1,000 men and present pay, and the fund being constituted as it is now. How far can that fund be supposed to be adequate for the purpose of superannuation at the rate under the Bill?—Do I understand that you contemplate that the 2½ per cent. is deducted from the constables' pay to constitute the fund.

239. I suppose I ought to have put it that there was to be 2½ per cent. paid by the employer. There is no way of making it adequate without that, even on that assumption?—The calculations I have made come out near enough for present purposes as follows: that in the normal state to which you refer, which could not be achieved until some 70 years hence, the annual charge in respect of pensions would be some 40,000 *l.* under the scheme as proposed, and would be under the existing scheme some 45,000 *l.* per annum.

240. You do not come here to state that a superannuation fund, composed as it is of 2½ per cent. deductions, and, say, 2½ per cent. added by employers with the fines, and all the other small things that are added, would be of itself sufficient?—Oh, dear no. The annual receipt in respect of these 2½ per cent. deductions from salary would amount to just a twentieth part of that as nearly as possible, a little over 2,000 *l.* a year.

241. Even allowing for the period of time that must elapse for the starting of the fund, that of course is balanced by the calls that come upon it?—I had assumed, as I explained, that this normal state is actually in existence. I have adopted exactly the method adopted by Dr. Farr.

Mr. Baring.

242. That is to say, there are no accumulations to work upon?—No, nothing whatever.

Chairman.

243. Your evidence comes to this, that having stated the figures, you are of opinion, with the scale as adopted under this Bill, whatever may be the solvency of the fund, and assuming there could be no solvent fund, there would be a saving to the City of about 5,000 *l.* a year?—That is exactly the result of my investigation; and I should explain that I have made calculations in a very rigid manner so as to be on the safe side. I have not the slightest doubt in practice that the saving would be greater.

0.125.

Mr. Goldney.

244. Taking you through your memorandum we come to your remarks on the Home Office Report. You say, "The proposals of the City Police Bill cannot, on the whole, be said to be excessive as regards the pension scale, &c. The proposed scale would cost less than that now in force; it is in every respect but two minor points in conformity with that of the Metropolitan Police." What are the two minor points?—I am afraid I cannot trust my memory to speak as to that. One of the minor points would undoubtedly be the three-fourths.

245. With regard to that three-fourths, do you look upon that as an entirely exceptional provision?—You ask me actuarially. I tell you how I treat it actuarially. I estimated that the three-fourths would be paid in every case that was possible.

246. You mean looking at it on that basis. Does that affect the calculation very much?—Certainly. If it were two-thirds one would assume that in no case would a man receive a pension of more than two-thirds of his pay. Here the limit is extended and runs up to three-fourths, so that the calculation would have to give effect to that. The maximum pension in any case would be for three-fourths.

247. Supposing the three-fourths were eliminated, or practically eliminated from the calculation, it would show a greater addition to the ratepayers?—Yes.

248. To a great extent would that be?—I should not like to speak off-hand as to the exact amount relatively.

Mr. Baring.

249. I understand you have calculated three-fourths wherever possible?—Certainly.

250. Without considering how very unlikely a man was to attain the age entitling to three-fourths?—No; what I have done is this: If you have Dr. Farr's report here you would see exactly what I mean, so many men live, so many die year after year, and then you come to the pension time, assuming a pension after 20 years, and so on, so that you allot the pension according to what scale of years he comes on.

Mr. Goldney.

251. You have had a great deal of experience, I may surmise, in dealing with friendly societies?—Yes, and I had a great deal to do with one of these police forces some time ago, the Manchester City Police Force.

252. Do you consider that a scale based on 50ths for a police force is a proper scale?—I do not think that is a question that I am well qualified to give a special opinion about.

Chairman.

253. We have your evidence that it is impossible that a fund of that sort could be solvent?—That is so.

254. And that there would be a saving of 5,000 *l.* or 6,000 *l.* more, if the scale under the Act were adopted in the City, that scale being what was recommended by the House of Commons Committee, and which is adopted by the Metropolitan Police?—Yes.

B 4

255. You

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Mr. SUTTON.

[*Continued.*]*Mr. Wodehouse.*

255. You made your calculations on the assumption that the City Police Force stands at the figure of 1,000 men?—The effective part.

256. Its real number is 900 men, is it not?—Yes, it is steadily increasing. We are always obliged, for the purpose of illustration, to make these normal assumptions, but they never held in practice. Things either go forward or go backward.

257. Your estimate is not in any sense a sanguine one?—No; on the other hand, I have been rigid in my assumptions.

258. In your report you say that the scale coincides, except in two points, with that of the Metropolitan Police. The two points are in your judgment minor ones?—Undoubtedly.

259. And would not make much difference as regards the expenditure?—I would not like to speak positively as to the 3-4ths, what difference it would make. It would tend to increase that 5,000 *l.* to 6,000 *l.*, which I referred to.

260. I think you agree with Mr. Lushington that the proposed addition of years for professional qualifications might be admitted?—That I am afraid is not a question that I can speak authoritatively about. I know it gives a great deal of trouble actuarially.

261. You have expressed an opinion upon it. You think it had better be omitted from the Bill?—I would rather not give any strong opinion

Mr. Wodehouse—continued.

about it; it only comes before me actuarially, and actuarially I only say it is a difficult matter.

262. I would not have asked you if you had not already advanced the opinion?—If you take my opinion as really expressed in the last twolines, I think anything that differs very much from the Government Bill which has been in discussion for years would be best dropped.

Sir Herbert Maxwell.

263. I have only one question to ask you. In making your calculation, have you taken it as part of the basis that a police constable's life is likely to wear him out quicker than the work of an ordinary labouring man?—I am afraid I had not the facts before me to make up the mortality table which would specially represent the life of a police constable.

264. You must have had some statistics supplied?—I had some statistics furnished, on which I made some inquiries with regard to the rate of mortality amongst pensioners, but, as regards police constables, for the purpose of my report, it really was very immaterial about getting an exact mortality table, because one can use it for both schemes, the existing scheme, and the one that is proposed.

265. The duration of service would affect it?—Very little financially.

Mr. RUSSELL GRIFFITHS, sworn; and Examined.

Mr. Goldney.

266. With reference to that one question, as to the use of the words "without his own default," that occurs in Clause 4, line 21, page 3. I have had an opportunity of looking at the original draft of the Bill, and I find that was inserted because it was an expression used in all the Bills, the Police Constables Pension Bill, and my instructions were, so far as I could, without making any great alterations, and as regards the Acts under which the City Police were at present constituted, and the superannuation fund was dealt with, that I should follow the lines of the Police Constables Pensions Bill of 1887, and that is the expression in that Bill, Clause 4: "Where a constable in a police force, without his own default," and that "without his own default" is used, you will find all through the scale.

Mr. Pickersgill.

267. That is Sir Henry Selwin-Ibbetson's Bill?—Yes; then there was some question asked by one of the honourable Members about the right to dismiss and a Court of Appeal. In the Police Constables' Pension Bill no doubt a Court of Appeal was provided because a police authority was constituted thereby. There is no police authority in the City except the Common Council, and this Bill proposes that it may be only forfeited by the Court of Common Council. The Common Council is really the Court of Appeal, and the Commissioner has to make a special report, and then the Common Council

Mr. Pickersgill—continued.

have to make an order on that report, so that all the circumstances of the case that come before him will be taken into consideration by the Common Council, and must be taken into consideration.

Mr. Baring.

268. Has a policeman the right to appear before the Common Council and argue his case, or make a representation, or does the Common Council only receive the report of the Commissioner?—It receives the report of the Commissioner, and then it has to make its own order on that report.

269. Has it any opportunity of hearing the other side?—No opportunity. Nothing is inserted in the Bill in respect of that. I do not know what the form for the Common Council is.

Mr. Goldney.

270. He would have a right to appear?—Either by representation, or in person

Mr. Pickersgill.

271. So far as I can see, the City does not differ from an ordinary borough in that respect. In an ordinary borough the chief constable, as I understand, would make his report to the watch committee, the watch committee if they thought proper would dismiss the constable, and I think an appeal was given by this Bill from the watch committee to the court of quarter sessions. The two cases seem to be parallel?—The Common Council is in the City in a very different position

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Mr. GRIFFITHS.

[Continued.]

Mr. Pickersgill—continued.

tion to the watch committee of a borough. The Common Council is the whole court, which would include practically the quarter sessions, or the persons who were the quarter sessions of the City of London, because the Common Council comprises the aldermen as well as the persons elected to the Common Council. You would have a much fuller court.

272. That at all events is your point, that the watch committee in a country borough is in a different position from the City Common Council?—Quite so; in a very different position.

Mr. Goldney.] Then the Court of Common Council also appoint a police committee as well. You have the Chief Constable, the Police Committee, although there are many

Mr. Pickersgill—continued.

differences, and the Court of Common Council. Then the Court of Common Council is composed of two distinct bodies.

273. Are you in a position to tell us what the practice is in an ordinary borough. Would it not come before the whole council of that borough on the point of whether the man should be dismissed or not, or would the watch committee dismiss him of their own authority?—That, I am afraid, I cannot answer. At present the Commissioner informs me that he has a right of dismissing without referring to the police committee at all.

274. By statute?—By statute. It was carried out in the Bill.

Sir JAMES FRASER, re-called.

Mr. Pickersgill.

275. I raise the point why it was not put into the present Bill which is before the Committee. Although it is a matter of detail now, I want to get at what is the present practice in the City?—The present practice is that the Commissioner has the absolute right to dismiss any man for misconduct, under the present Police Act, whom he shall think unfit for his duty in that respect, the same as every chief constable of a county has, and as the Commissioner of the Metropolitan Police has also, but the honourable Member's question referred rather to men who had obtained their pension and who were to forfeit them on misconduct.

276. The witness just now was talking of some difference of opinion, that it was the Common Council who dismissed, and that there was a report from the chief constable upon which the dismissal took effect. That is the reason why I want to get at the facts. It seems to me, as the law stands in the City police, as in the county police, Sir James Fraser, as Commissioner of Police, has now an absolute right of dismissal. The question, whether a man has a right to any pension, only becomes a subject for consideration by this Committee, whether it is or is not right that a man should be guarded by an appeal?—Against dismissal at all.

277. Against dismissal, which implies forfeiture of his pension; it is recommended, and it is in this Bill?—The wording in the County Police Acts is this, as regards chief constables; it is very irregularly worded, because, after the payment of the constables, it says the chief constable of the county may at his pleasure dismiss all or any of the men.

278. We are quite aware of the existing law; the point is, when under the new system it has

Mr. Pickersgill—continued.

been suggested, in consequence of the man having been given, as it were, a property, if that property is taken away from him by dismissal, there should be some appeal. Practically, he has a property in it now, because no man is dismissed unless for gross misconduct, and practically he is quite sure of his pension if he serves for 15 years, that is to say, if he is certified to be unfit. I think it right there should be an appeal against a man forfeiting his pension if he has obtained it, and that is provided for now by this Bill, but I do not see the necessity myself for an appeal against a dismissal. I am afraid the Common Council would very soon get tired of that; as a matter of fact every man would appeal against a dismissal.

Mr. Goldney.] Our Common Council in the City is in the same relative position as the Court of Quarter Sessions.

Chairman.] You do not provide any appeal?

Mr. Goldney.] We have no objection to put it in.

The Witness.] The same principle has been introduced into this Bill as was in the Government Bill, that after 15 years' service men should not be dismissed without having a right of appeal, but I think in the case of the City the right of appeal should be given to the Court of Aldermen who are the magistrates, and not the Common Council. They are really the people who, being the Justices, decide matters of that kind rather than the Court of Common Council.

MR. RUSSELL GRIFFITHS, recalled.

Mr. Pickersgill.

279. A proviso to Clause 10 gives power to the Court of Common Council to add 10 years to the actual service of the following persons: the Commissioner, Surgeon, or Receiver, or any 0.125.

Mr. Pickersgill—continued.

officers of the City Police Force. Is that how it now stands?—That is how it now stands.

280. May I ask you why you introduce the words "any officers"?—The words "any officers"

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Mr. GRIFFITHS.

[*Continued.*]*Mr. Pickersgill*—continued.

officers" were introduced, because those are the words in the City of London Police Act, 1874. Section 3 of the Act of 1874 says, the Common Council may, in any case they think fit, grant to the Commissioner or surgeon, or any officer of the City Police Force. The receiver probably was included in the word officer then, and in consequence of an alteration which was made before the Committee of the House of Lords, it was proposed by the original Bill that the Court of Common Council should have power to add 10 years to the Commissioner, surgeon, or any officer of the City Police Force, or any clerk or person employed in connection therewith. The Duke of Buckingham, then Chairman of the Committee of the House of Lords, objected to that, and this provision had to be split up into two. He said there was no objection to allowing persons who were put on as clerks, and who did the civil work of the force, to act in the way they had previously as constables, therefore it was necessary to split this up into two. The receiver was inserted in the *nominatim* as receiver, and it was thought better to leave the words "or any officer of the police force," so that in future if more officers were introduced that might apply.

281. But is there in this Bill, or in any of the Acts dealing with the subject matter, any definition of the word "officer." It seems to me to be a word of very wide signification if it is not limited in some way?—There is no definition of word "officer."

282. I should have thought Colonel Smith was an officer?—He is a constable; he is on the establishment.

283. Do you not think that word might be limited in some way?—It is limited to not being constables.

284. Do those words sufficiently limit it?—Yes.

285. Is the word "constable" defined anywhere?—I am not sure whether "constable" is defined, but I understood from Colonel Fraser that he was the only person really in the City Police who was not a constable.

984. That is what Colonel Fraser said, but I think we ought not to accept words which would allow the introduction of some person subsequently whom we did not intend?—A constable can only be a person on the establishment. I do not know of any definition of the word "constable."

Mr. Pickersgill—continued.

287. As this is an exceptional proviso, should you see any objection to eliminate those words, "any officers," and restrict it to the present persons whom we know of?—I have only drafted the instructions, and I have not been consulted on the principle of the Act at all. I had certain instructions to put into the Bill.

Mr. Goldney.] I should like to mention one point, that is the question of adding the ten years. There is a distinct feeling with regard to that, that whereas you might appoint a man with a larger salary instead of having years reckoned for it when he has served a little while, and he begins to get old and when the force would undoubtedly benefit by a successor being appointed, there is a feeling that it is very hard to get rid of him, and you let him stay on another year or two, until he has earned his two-thirds, or until he has earned so much, and it would be especially the case with the Commissioner and with a surgeon. Of course, in the case of a surgeon, it is desirable to have comparatively young men, whose hearing and eyesight is better.

The Committee-room was cleared.

After a time the parties were called in.

Chairman.] The Committee have agreed to meet To-morrow to consider whether they will pass the preamble of the Bill; but, in the event of their passing the preamble, they would desire certain modifications in the Bill, which for convenience sake I had better mention now. First, they would like to provide an appeal to the Common Council in case of dismissal, in the same way as is provided in the Public Bill to Quarter Sessions and other authorities. They would desire to see the provision as to added years abolished, and they cannot agree to go up to 3-4ths of the salary. Therefore, it would be convenient for such modifications in drafting, as may be necessary, to be ready by to-morrow morning. Then we shall require to go with the draftsman in detail through the clauses of the Bill; and I think there will be no difficulty in settling it, provided we agree on the principle. I am afraid we should require the draftsman to be here.

Wednesday, 17th July 1889.

MEMBERS PRESENT :

Mr. Baring.
Sir Herbert Maxwell.
Mr. Pickersgill.

Sir Matthew White Ridley.
Mr. Francis Stevenson.
Mr. Wodehouse.

THE RIGHT HONOURABLE SIR MATTHEW WHITE RIDLEY, Bart., IN THE CHAIR.

Chairman.] The Committee have decided to proceed with the Bill, subject to certain modifications which we have mentioned, with one or two others which will occur as we go on with the Bill. At present we had better take the Bill clause by clause.

Mr. *Pritt* handed in a Bill containing the alterations which had been suggested by the Committee yesterday.

The Draftsman of the Bill was re-called, and the Committee proceeded to read through and amend the clauses of the Bill.

The Chairman was directed to Report the Bill, as amended to the House.

After a short discussion, the Committee determined to present the following Special Report to the House :

This Bill will for the first time confer upon members of the City Police Force the right to pensions under certain conditions ; a right beyond any that is enjoyed at present by any military or civil servants of the Crown. It is, however, in accordance with the recommendation of the Police Superannuation Committee, which reported in 1877, and with the provisions of various successive Bills, some of which have been read a second time in the House of Commons. And your Committee, therefore, in accepting the Preamble of this Bill proceeded upon the assumption that this principle has been already sanctioned by the House.

The City of London Police is in all particulars administered under Private Acts of Parliament, and your Committee are of opinion that though it would have been desirable to deal with the whole question of police superannuation throughout England, including the metropolis, in one General Act, yet in the absence of any such proposals it would be unfair to refuse to the ratepayers and the police force of the City of London the advantages of a scheme which is in strict accordance with the recommendations of the Police Superannuation Committee of 1877, and which will effect an economy estimated by the actuary at upwards of 5,000 *l.* a year.

R E P O R T

FROM THE

SELECT COMMITTEE

ON THE

CITY OF LONDON POLICE BILL;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE

AND

MINUTES OF EVIDENCE.

*Ordered, by The House of Commons, to be Printed,
17 July 1889.*

[*Price 2½ d.*]

264.

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Under 2 oz.

R E P O R T

FROM THE

SELECT COMMITTEE

ON

COAL DUTIES (LONDON) ABOLITION BILL;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

M I N U T E S O F E V I D E N C E,

A N D A P P E N D I X.

*Ordered, by The House of Commons, to be Printed,
2 July 1889.*

L O N D O N :
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and HODGES, FIGGIS, and Co., 104, Grafton-street, Dublin.

COAL DUTIES (LONDON) ABOLITION BILL.

Ordered,—[Monday, 27th May 1889]:—THAT the Bill be committed to a Select Committee.

Ordered,—[Wednesday, 19th June 1889]:—THAT the Committee do consist of Seven Members; Four to be appointed by the House, and Three by the Committee of Selection.

Committee,—

Sir Richard Temple.	} Nominated by the House. [Wednesday, 19th June 1889.]
Sir Bernhard Samuelson.	
Mr. Lawson.	
Mr. Baumann.	
Mr. Hargreaves Brown.	} Added by the Committee of Selection. [Monday, 24th June 1889.]
Sir Stafford Northcote.	
Sir Lyon Playfair.	

THAT the Committee have power to send for Persons, Papers, and Records, and in their discretion to hear Counsel on behalf of such Persons or Corporations as they decide should appear before them.

THAT Three be the Quorum of the Committee.

THAT it be an Instruction to the Committee that they have power to inquire into the amount and character of any Duties in respect of Coals which would accrue to the Corporation of the City of London on the expiration of "The Coal and Wine Duties Continuance Act, 1868," under the provisions contained in 1 & 2 Will. 4, c. 76, and any subsequent Acts of Parliament; the manner in which the 4 *d.* per ton allocated to the Corporation of the City of London by Statute for the Holborn Valley Improvements has been expended; how far any sums of money that were borrowed for the Holborn Valley Improvements still remain unpaid; and whether, in consequence of the abolition of the said Duties, there should be any, and, if so, what, provision made in the Bill in respect of such Debt, if any existing, on the primary security of such Duties.

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R E P O R T.

THE SELECT COMMITTEE to whom the COAL DUTIES (LONDON) ABOLITION BILL was referred, and who were instructed to inquire into the amount and character of any Duties in respect of Coals which would accrue to the Corporation of the City of London on the expiration of "The Coal and Wine Duties Continuance Act, 1868," under the provisions contained in 1 & 2 Will. 4, c. 76, and any subsequent Acts of Parliament; the manner in which the 4*d.* per ton allocated to the Corporation of the City of London by Statute for the Holborn Valley Improvements has been expended; how far any sums of money that were borrowed for the Holborn Valley Improvements still remain unpaid; and whether, in consequence of the abolition of the said Duties, there shall be any, and, if so, what, provision made in the Bill in respect of such Debt, if any existing, on the primary security of such Duties:—
HAVE taken Evidence thereon, and have gone through the Bill, and made Amendments thereunto.

2 July 1889.

PROCEEDINGS OF THE COMMITTEE.

Tuesday, 25th June 1889.

MEMBERS PRESENT :

Sir Lyon Playfair. Sir Stafford Northcote.		Mr. Lawson.
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Sir LYON PLAYFAIR was called to the Chair.

The Committee deliberated.

[Adjourned till Thursday next, at Twelve o'clock]

Thursday, 27th June 1889.

MEMBERS PRESENT :

Sir LYON PLAYFAIR in the Chair.

Mr. Hargreaves Brown. Sir Stafford Northcote. Mr. Lawson.		Sir Bernhard Samuelson. Mr. Baumann. Sir Richard Temple.
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COAL DUTIES (LONDON) ABOLITION BILL.

The Preamble was postponed.

The Committee deliberated.

Mr. *Benjamin Scott* (the City Chamberlain) and Mr. *Robert Watson Cooper* were examined.

The room was cleared, and the Committee deliberated.

Motion made, and Question put, That Mr. Boulton be called To-morrow as a Witness before the Committee—(Mr. *Lawson*).—The Committee divided :

Ayes, 2. Sir Stafford Northcote. Mr. Lawson.		Noes, 4. Mr. Baumann. Mr. Hargreaves Brown. Sir Richard Temple. Sir Bernhard Samuelson.
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Motion made, and Question put, That Mr. J. F. B. Firth (a Member of the House) be called To-morrow as a Witness before the Committee—(Sir *Bernhard Samuelson*).—The Committee divided :

Ayes, 4. Mr. Baumann. Mr. Hargreaves Brown. Sir Richard Temple. Sir Bernhard Samuelson.		Noes, 2. Sir Stafford Northcote. Mr. Lawson.
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Adjourned till To-morrow, at Twelve o'clock.

Friday, 28th June 1889.

MEMBERS PRESENT:

Sir LYON PLAYFAIR in the Chair.

Sir Stafford Northcote.
Mr. Baumann.
Mr. Hargreaves Brown.

Sir Richard Temple.
Mr. Lawson.
Sir Bernhard Samuelson.

Mr. *Henry H. Crawford* and Mr. *James Benjamin Scott* were examined.

Mr. *Benjamin Scott* was further examined.

Mr. *Charles Beadle* and Mr. *Graham King* were examined.

[Adjourned till Monday next, at Twelve o'clock.]

Monday, 1st July 1889.

MEMBERS PRESENT:

Sir LYON PLAYFAIR in the Chair.

Sir Richard Temple.
Mr. Lawson.
Sir Stafford Northcote.

Mr. Hargreaves Brown.
Mr. Baumann.

Mr. *J. F. B. Firth* (a Member of the House) was examined.

Mr. *Robert Watson Cooper* was further examined.

Mr. *Boulton* and Mr. *Antrobus* were examined.

Mr. *Benjamin Scott* was further examined.

[Adjourned till To-morrow, at Twelve o'clock.]

Tuesday, 2nd July 1889.

MEMBERS PRESENT:

Sir LYON PLAYFAIR in the Chair.

Sir Richard Temple.
Mr. Lawson.
Mr. Baumann.

Mr. Hargreaves Brown.
Sir Bernhard Samuelson.

Clause 1.—Amendment proposed, after the word “conveyance,” at the end of the Clause, to add the words, “Provided always that the duty of four pence per ton on coals, culm, and cinders, continued to the said Corporation under the style of the Mayor, Aldermen, and Commons of the City of London, by Section 2 of the before-recited Act of 1868, shall continue until the Fifteenth day of July One thousand eight hundred and ninety, but shall be applied by the said Corporation towards discharging the moneys borrowed and now remaining unpaid in respect of the completion of the Holborn Valley Improvements, particularly referred to in the said section: Provided also that the statutory provisions with respect to collection returns, certificates, accounts, and drawback, contained in or

continued by the said Act, in regard to the duties therein mentioned, shall apply to the duty hereby continued, except that the allowance of drawback shall be limited to the sum of four pence per ton : And provided also that an account of the receipt and application of the said duty shall be kept separate and distinct from the accounts of the said Corporation, and that an abstract of the said account be yearly laid, by the Chamberlain of the City of London, before both Houses of Parliament"—(The *Chairman*).—Question proposed, That those words be added to the Clause.—Amendment proposed to the proposed Amendment, in line 5, after the word "ninety," to insert the word "one"—(Sir *Richard Temple*).—Question put, That the word "one" be there inserted.—The Committee divided :

Ayes, 2.
Mr. Baumann.
Sir Richard Temple.

Noes, 3.
Mr. Hargreaves Brown.
Mr. Lawson.
Sir Bernhard Samuelson.

Question put, That those words be added to the Clause.—The Committee divided :

Ayes, 4.
Mr. Baumann.
Mr. Hargreaves Brown.
Sir Richard Temple.
Sir Bernhard Samuelson.

Noe, 1.
Mr. Lawson.

Clause, as amended, *agreed to*.

Clause 2, *agreed to*.

New Clause : "Any surplus or sums that may remain after discharging the pecuniary obligations imposed by any of the above recited Acts, viz., 'The Kew and other Bridges Act, 1869, and the Kew and other Bridges, 1869 (Amendment), Act, 1874,' and any surplus accrued or accruing from the 1*d.* per ton drawback allowance under the now recited Act, entitled 'The Coal Duties Act, 1851,' shall be applicable and be applied by the Corporation in discharging, as far as may be, the capital sum now due and owing by the said Corporation on the said Holborn Viaduct Improvement and Approaches"—(The *Chairman*).—Brought up, and read the first and second time.—Amendment proposed to proposed new Clause, in line 1, to leave out from the words "any surplus," to "1874," in line 3—(Mr. *Lawson*).—Question, That the words proposed to be left out stand part of the proposed new Clause.—The Committee divided :

Ayes, 4.
Mr. Baumann.
Mr. Hargreaves Brown.
Sir Richard Temple.
Sir Bernhard Samuelson.

Noes, 1.
Mr. Lawson.

New Clause *agreed to*.

Preamble considered.

Amendment proposed, in page 7, line 20, to leave out from the word "from" to the word "eighty-nine," in line 23.—Question put, That the words proposed to be left out stand part of the Preamble.—The Committee divided :

Aye, 1.
Mr. Lawson.

Noes, 4.
Mr. Baumann.
Mr. Hargreaves Brown.
Sir Richard Temple.
Sir Bernhard Samuelson.

Another Amendment proposed, in line 20, after the word "that," to insert the words "subject to the provisions of this Act"—(Mr. *Hargreaves Brown*).—Question, That those words be there inserted.—The Committee divided :

Ayes, 3.
Mr. Hargreaves Brown.
Mr. Lawson.
Sir Bernhard Samuelson.

Noes, 2.
Mr. Baumann.
Sir Richard Temple.

Another Amendment proposed, in line 23, to leave out the words "brought into the Port of London."—Question, That the words proposed to be left out stand part of the Preamble,—put, and *negatived*.

Another

Another Amendment proposed, to insert the following words: "Whereas, by an Act, entitled 'The Kew and other Bridges Act, 1869,' and an Act entitled 'The Kew and other Bridges Act, 1869 (Amendment) Act, 1874,' provision was made for the freeing of certain bridges therein named, and for raising certain funds in that behalf on the security of the coal duties as therein mentioned: And whereas, after discharging the pecuniary obligation imposed by the said Acts, a certain surplus will remain: And whereas Parliament has reserved to itself by 31 Vict. c. 17, Clause 6, the right of dealing with such surplus as it shall direct: Whereas, by an Act passed in the 14th and 15th year of the reign of Her present Majesty, c. 146, entitled, 'The Coal Duties (London and Westminster and adjacent Counties) Act, 1851,' the Corporation were to retain one penny per ton out of the drawback allowance for the purposes in the said Act expressed: And whereas there now remains, in the hands of the Chamberlain of London, a surplus of fifty-nine thousand and ninety-seven pounds, or thereabouts, out of its drawback allowance"—(The *Chairman*).—Question, That those words be there inserted,—put, and *agreed to*.

Other Amendments made.—Preamble, as amended, *agreed to*.

Question, That this Bill, as amended, be reported to the House,—put, and *agreed to*.

Ordered, To Report, with Minutes of Evidence and an Appendix.

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MINUTES OF EVIDENCE.

Thursday, 27th June 1889.

MEMBERS PRESENT :

Mr. Baumann.
Mr. Hargreaves Brown.
Mr. Lawson.
Sir Stafford Northcote.

Sir Lyon Playfair.
Sir Bernhard Samuelson.
Sir Richard Temple.

THE RIGHT HONOURABLE SIR LYON PLAYFAIR, K.C.B., IN THE CHAIR.

MR. BENJAMIN SCOTT, called in ; and Examined.

1. *Chairman.*] WHAT office do you hold in the City of London?—I am Chamberlain of the City.

2. You were formerly a clerk before you were Chamberlain, were you not?—I was ; before the Act of 1831 I was in the Chamber. I recollect the old system, and can speak of it personally.

3. It will take us some time to get down to that Act. You are now the Finance Officer and the Treasurer of the Corporation?—Yes, as Chamberlain I have those duties to perform.

4. I want you first to explain to us how your prescriptive rights became chartered rights. Under the Charter of James I., what were your prescriptive rights?—The prescriptive rights were in respect of the office of measurer, and under that office of measurer of coals, and corn, and fruit, and roots, and other articles measurable, the Corporation had, as is recited in the Charters of James for all time, from time immemorial, exercised that office.

5. It was upon these substances imported into the Port of London?—Into the Port of London.

6. By water, by the River Thames?—Yes.

7. In the first Charter of James there was no price mentioned as to the amount to be charged for the metage of coal, was there?—There was not. The prescriptive right was 4 *d.* a chaldron.

8. And was proof given of that by an action which was brought against the Corporation by the Attorney General in the time of James, in regard to the prescriptive charge?—It was, on a *quo warranto* proceeding. The Corporation were put to the proof that they had the right to measure all coals coming into the Port. They had the right to charge 4 *d.* a chaldron when coals were measured, and 8 *d.* a ton when coals were weighed.

9. Did the Attorney General continue that action?—That I cannot speak about personally ; probably the City Solicitor would answer that question.

10. I believe the Attorney-General gave up the action and did not pursue it?—It was not pursued ; and the Charters, I have always understood, were granted in consequence, and they recite that differences had arisen, but the King confirmed them.

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11. It

11. It was in 1606 that the first Charter of James was granted?—I believe it was.

12. Then the second Charter of James gave 8 *d.*, did it not, for weighing coal coming to the Port?—It confirmed the right of the City to 8 *d.* when coal was weighed.

13. Still for metage?—Weighage it is called in the Charter.

14. Do you recollect what was the first statute with regard to dues on coal; was it the Act of William and Mary in 1694?—There was an Act before that with relation to this question of the City's rights, the 2 & 3 of William and Mary.

15. What did that first Act do?—It was an Act of 2 & 3 William and Mary, c. 8, confirming all the Charters of the Corporation of London. I should explain, what members of the Committee will recollect historically, that Charles II. issued proceedings in the form of a *quo warranto*, and obtained a judgment against the City, and upon that forfeited all their charters and seized them. The Act of the 2 & 3 William and Mary restores all those charters to the City, and states that they are never again to be abrogated for any cause whatever.

16. Then, with regard to the Statute of 1694, the 5 & 6 of William and Mary, was that for a limited time, expiring in 1750; was not that the Orphans and other Creditors Act?—Yes, it was. I ought to state there that the Corporation make no claim whatever, and never have made any claim, to personal property under that Act, or under the Act of 10 Geo. IV., which follows it in recital in this Bill.

17. And you do not make claim for the statutory addition of 4 *d.*, which was given in addition to James the First's 4 *d.*?—No, we do not. I am of opinion (I am open to correction by the draughtsman of the Bill) that the introduction into that recital of 10 Geo. IV. was quite unnecessary, because the matter referred to this Committee is the question of the City's property in metage. All this was trust matter. First, the Corporation were appointed trustees in reference to the Orphans and other Creditors on the closing of the Exchequer by Charles II.; then, when all their obligations were paid off, they were entrusted with the London Bridge Approaches improvements under 10 Geo. IV.

18. Then, the additional 4 *d.* and the additional 6 *d.* in William and Mary's Act, the additional 10 *d.* was reduced by the Act of 1831 to 8 *d.*?—It was.

19. And that part of it you do not claim at all?—We do not claim it at all. The Corporation never have received it in their own rights; they received it as trustees. After they had exercised those trusts for some years it passed to Her Majesty's Government, and was exercised by the Commissioners of Her Majesty's Woods and Forests; and when the Board of Works was established, they passed those duties over as Metropolitan Improvement Fund duties to the Metropolitan Board of Works; and they expire absolutely on the 5th of July, and we make no claim whatever to those, or to the wine duties.

20. What is the portion of the Bill in which you think the recital is wrong?—I do not say it is wrong; I think it is surplusage, and that it perhaps would lead to confusion if it were considered in connection with the City's claim to the metage, 4 *d.* It is from the marginal note "5 & 6 William and Mary, c. 10," on page 2 of the Bill, down to the close on page 3 of the paragraph, of which the marginal note is "10 Geo IV. c. 136."

21. Down to what word?—Down to the words "created by the Act now in recital," two-thirds down the page. Then I am further of opinion, which the City Solicitor would be able to confirm, that instead of that 5th & 6th William and Mary, chapter 10, to set out the title of the Corporation in its completeness there should be quoted the 2nd & 3rd of William and Mary, chapter 8, which confirms all those Charters. I think it is very likely that a little confusion has arisen in the mind of the draughtsman in consequence of these two Acts, which were so immediately contiguous.

22. I think it will clear our minds a great deal if you come to the present position. The present position of the Dues is 1 *s.* 1 *d.* per ton?—Yes, up to the 5th of July next, 1 *s.* 1 *d.* per ton.

23. Will you explain exactly how that 1 *s.* 1 *d.* arises?—First, I should mention fourpence, which represents under the Act of 1 & 2 William IV.

and

27 June 1889.]

Mr. SCOTT.

[*Continued.*]

and subsequent Acts the City's metage or weighage from time immemorial, confirmed by Charter, as I have stated, in 2 & 3 William and Mary.

24. And reserved as City rights by various Acts of Parliament?—Yes.

25. Especially in the Act of 1831?—1831 continued down to the present time in various Acts.

26. As reservations in favour of the City?—As a reservation in favour of the City.

27. Then 8 *d.* by the Act of William and Mary?—Eightpence, originated as 10 *d.* a chaldron in the Act of William and Mary, has been up to the present time, and of recent years administered by the Metropolitan Board of Works for metropolitan improvements.

28. Then the 1 *d.* which makes up the 1 *s.* 1 *d.* under the Act of Geo. III. 1807, was for the purpose of building the Coal Exchange?—It was originally for that purpose. When the Coal Exchange was built, and the debt paid off, it was applied by Parliament for public improvements, and passed with the 8 *d.* to Her Majesty's Government, and then afterwards to the Metropolitan Board of Works.

29. Mr. *Lawson.*] I believe in 1803 an Act was passed for the establishment of a free market or Coal Exchange for the City of London, and it dates from that Act of the 44th of Geo. III. c. 1?—I have not brought up the Acts to a date so early as that. I am quite clear of this: that the 1 *d.* was first of all created by Parliament for the purpose of establishing a free market, and when that purpose was served, the Corporation communicated with the Government of that day; I recollect going to Sir Robert Peel myself about it as a deputation, and he immediately said that it was too small a sum to repeal, it would not affect the price of coals, it had better be added to the 8 *d.*; and it was eventually handed over to the Metropolitan Board of Works for public improvements.

30. *Chairman.*] Taking the sum 9 *d.* and 4 *d.*, the 9 *d.* being the sum that went to the Commissioners of Woods and Forests, and ultimately to the Metropolitan Board of Works, the 4 *d.* being the City's sum, a number of improvements have been made out of that sum of 9 *d.*, have they not?—A very large number of improvements.

31. And in order to continue these improvements there have been a whole succession of Acts continuing from time to time the coal dues in London?—That is so.

32. The Act of 1831 was a most important Act?—That is so.

33. The Act of 1868 continued the powers in the Act of 1831 up to the present year, 1889?—That is so. There have been a variety of Acts continuing the coal dues, first for seven years, then for seven years again in 1838.

34. In 1845, for 16½ years to 1862?—Yes.

35. In 1861 for 10 years more, to July 1872?—Yes.

36. And in 1863 for 10 years, to July 1882; and then the 31 Vict. c. 17, extended it for seven years, to July 1889?—Yes.

37. At first your powers in the City of London were wholly devoted to sea-borne coal?—That was so, originally.

38. Then you got an Act, did you not, with reference to powers to charge a duty on coals coming by the Grand Junction Canal?—Yes, on the formation of that canal.

39. Are there not conditions with regard to the tax included in various Railway Acts for the different railways coming into London?—There are.

40. Not for all, but for some?—A variety of Railway Acts have clauses protecting the duties.

41. But are there not two important railways in which there are no such provision; the Great Northern and the Midland?—That is so, excepting that coals pass from one railway to another before delivery, and particularly in the London district, and they become subject to the duties if that should be the case.

42. If they use running powers over others you mean?—Yes.

43. If these duties and coal dues terminate on the 5th of July by lapse of time, you claim that you still have 4 *d.*, either by metage or weighing remaining to the Corporation by Charter?—The claim is that we have 4 *d.* if coal should be measured in the chaldron, and 8 *d.* if it is weighed in the ton, as set out in

27 June 1889.]

Mr. SCOTT.

[Continued.]

the second Charter, and stated very concisely and correctly in the Preamble of the Bill. The second clause, chapter 12, of James I., gives the weighage in addition to the metage, or confirms rather the weighage in addition to the metage.

44. But is it not the fact that one of the Acts, at all events, took no notice of that second chapter at all in the recital of your powers?—No, I am not aware of that. It is recited in full in the Act the 1st & 2nd Will. IV., and all the saving clauses in that Act are reserved down to the present day; if not in so many words, yet in effect.

45. Mr. *Baumann*.] How many tons are there in a chaldron?—A chaldron, on measuring various kinds of coal, was found to be about 25 cwt., and a ton is 20 cwt.; so that a chaldron is about a fifth more than a ton.

46. You claim 8 *d.* a ton, do you not, for coal as sold by the ton?—We can at present claim only what the law gives; it is a prescriptive right; we cannot alter it; we are bound to keep to it.

47. *Chairman*.] But you claim both that the prescriptive right gives you both metage and weighing?—Metage and weighage. At the present day there would be very little metage, perhaps none. The custom of 50 years has become a custom for everyone to sell by weight.

48. But is it not the fact that an Act of Parliament has removed the necessity for your weighing coals, and has put it upon the seller?—During the continuance of the 1 & 2 Will. IV., and subsequent Acts, it was so, and the trade have done their own weighing. That was one of the objects of the Act, to give the trade power to weigh out of their ships; they have a society for that purpose.

49. Then you consider that with the lapse of duties dropping on the 5th of July your prescriptive rights of weighing would come back again?—They would come back unless Parliament should arrange with the Corporation otherwise. We cannot alter a prescriptive right; we must take whatever the custom has been and the law has given to the Corporation in a matter of that kind.

50. Sir *Stafford Northcote*.] I understood you to say that both rights reverted to you, the right of metage and the right of weighage; but all you claim is alternative right, is it not?—In the event of coals being weighed, we exercise the office of weigher; if measured, we exercise the office of measurer.

51. In the event of coals being weighed you claim the 8 *d.*?—We shall be obliged to charge the 8 *d.*

52. And in the event of the metage, 4 *d.*?—Fourpence a chaldron; if it was measured, it would be measured into a chaldron.

53. *Chairman*.] But do you say that your old prescriptive right was for coal coming into the Port of London by water?—Yes.

54. And subsequently, you obtained powers with regard to canals. Supposing that the dues lapsed on the 5th of July without any other legislation; how would you claim your rights upon coal under the old prescriptive?—Under the saving clause in the Act of 1 & 2 Will. IV. c. 76. If you turn to Clause 60, the charters are there recited at full length. Clause 60 prescribes the office of Measurer and the office of Weigher; and at the foot of page 1740 (as it is published), it says: “to ask, demand, take, receive, and have the fee of 8 *d.* of lawful money of England to the use of the aforesaid Mayor and Commonalty and Citizens of the City aforesaid, and their successors, for the weighing of every the like Ton of Coals aforesaid, and of all other Coals weighable, of every kind;” and then it goes on to say that we must keep scales and weights and meters always in readiness. An arrangement was made with the Government that the whole system should be altered, but that the rights of the City should be protected.

55. Do you mean to say that that Act gives you rights upon coal upon all the railways coming into London?—No, it does not mention railways; there were no railways coming into London then.

56. That is not an answer to my question; my question was: how will your prescriptive rights operate upon railway-borne coal coming into London, supposing the dues lapsed on the 5th of July, and some of the railways, such as the Great Northern Railway and the Midland Railway, have no provisions in their Acts for the City retaining that duty?—I apprehend that there would be
some

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some difficulty in reference to those two railroads unless the coals ran, as I said they very probably would, upon some of the metropolitan railroads before they delivered it; or if they entered the port, the Charter says, the duties are to be levied upon every shore or bank of the Port of London; if they entered the river in barges, either by canal, or in any other way, they would become liable to metage or weighage.

57. Mr. *Lawson*.] Do you contend that your Charters would apply to coal coming by canal?—No, that is by Act of Parliament. When the canals were made, at a much earlier period than the railways, the duties were granted by those Canal Acts, the Grand Junction Canal and the Paddington Canal, as it is called, which runs from Brentford down to the Docks. When the railways were formed, from time to time, clauses were inserted for the protection of the duties on the railways; but those two railroads which the Chairman has mentioned were exceptions to that rule.

58. Sir *Bernhard Samuelson*.] But you claim no prescriptive right, or right under Charter, to levy tolls upon coals except those which are sea-borne?—Except it be sea-borne or enters the Thames. We took duties before 1831 on coals coming from the west by river in barges.

59. Mr. *Lawson*.] Between Staines Bridge and Yantlet Creek?—That was so.

60. Mr. *Baumann*.] You do not claim any dues upon railway or canal-borne coal?—That would be a very awkward question, unless Parliament dealt with it. Under those Acts we should claim, if we thought fit, Acts having clauses which are still unrepealed; but it is one of the questions which is a difficult question, and which would be very much better settled by Parliament, and the Corporation are ready to meet Parliament upon it. It is a most inconvenient thing to have differential duties in London, one class of coal paying metage and weighage duty, and the other class not. It is one of the difficult and legal question which will eventually arise. It is much better that those questions should be settled. The Corporation are prepared on public grounds to meet the Committee, and I am so instructed with a view to a reasonable settlement of the question.

61. Mr. *Lawson*.] In illustration of that answer, I will ask you this question: You are aware, as stated in your Memorandum, that in the year 1845 the various duties leviable upon the canals were extended to coals brought by all railways within a certain distance?—So I understand. I did not draw these memoranda, the Remembrancer has done so.

62. In that Act, I believe the duties upon coals brought by the various railways, with regard to which Acts had been obtained previously to that, were altered in amount?—I am not able to answer that question.

63. You may take it from me that they were. From 1845, a different duty was charged upon coal brought by railway from what had been charged before; and that Act, I suppose, wholly relates to the dues which were levied by statute under the Act 1 & 2 Will. 4 and the following Acts?—The duties on coals brought by canals were 1 s. 3 d. a ton; they were ultimately, I believe, altered to 1 s. 1 d. a ton. It was originally 1 s. 3 d. a chaldron, and so remained as 1 s. 3 d. a ton for some time.

64. What I want to ask you is this: These railway duties which were consolidated in 1845 had nothing to do with the prescriptive right which you claim; and you would not contend, I suppose, that the City have any claim to them after the lapse of the dues on July 5th of this year?—That is a point I would rather refer to the City Solicitor; it is a legal point.

65. Sir *Stafford Northcote*.] On page 3 of your Memorandum you speak of the Corporation being entitled to the duty of 1 s. 3 d., which I understand you to say is now really 1 s. 1 d.?—The arrangement made in 1831 by the 1 & 2 Will. 4 was, that instead of 1 s. 3 d. a chaldron, 1 s. 1 d. a ton should be charged, a ton being smaller than a chaldron.

66. Your Memorandum says, on page 3 at the bottom, "provision being made in such last-mentioned Act for the revival of the 1 s. 3 d. duty;" but that 1 s. 3 d. duty has not been revived?—I am not practically able to speak upon that. The duty is not paid primarily into my hand, but only in bulk from

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the Coal Exchange ; but the Clerk and Registrar of the Coal Market could answer that question.

67. Mr. *Lawson*.] I believe that the first Charter referred to other articles than coal ?—It did.

68. It referred to apples, pears, plums, and other fruits, and all kinds of roots and articles of that kind :—Yes, and corn.

69. Then these rights stand upon exactly the same footing, do they ?—No, those rights have not been altered, excepting the matter of corn.

70. Do you levy them ?—We levy them at the present time ; we have fruit meters.

71. To what amount do you levy them ?—I have not the figures here to state.

72. Cannot you tell us roughly what your charges for measuring fruit are ?—There is a gentleman in the room who would perhaps be able to answer that question, the Clerk and Registrar of the Coal Market ; because, I think, some accounts are kept there of the metage ; but there are meters appointed for the measuring of all fruits that are brought to Billingsgate and into the port, and potatoes and roots of various kinds, and also corn.

73. But I ask you this : you spoke just now of these being measured when they went into Billingsgate. I am not talking of market tolls or dues now ; I am asking whether you charge your regular due upon all fruits and roots under this Charter which are brought into the Port of London, exactly as you do in the case of coal ?—Yes.

74. And to the same amount ?—No, not to the same amount ; but, whatever the prescriptive charge for fruit is, 8 *d.* per ton.

75. Sir *Bernhard Samuelson*.] Do you charge that upon oranges, for example, delivered in the docks ?—Yes, oranges would be included, I have no doubt.

76. Mr. *Lawson*.] But, in reference to fruit, there have been no confirming or altering statutes ?—Not at all, that I am aware of.

77. You rest upon your prescriptive rights ?—The only case that has been altered is the case of corn, in which Parliament, having examined the rights of the Corporation, gave them the right to levy another duty for 30 years, which the Corporation applied to freeing Epping Forest and other open spaces.

78. But you levied these dues originally according to Charter, as Conservators of the Thames ?—No ; by the office of Measurer. There is a distinction in the Charter between the Conservators of the Thames and the office of bailiff, which goes with the Conservancy of the Thames, and the office of Measurer. The Corporation has executed the office of measurer down to the present day, with the exception of what Parliament has arranged with us about the metage of coal and about the metage of corn. I could answer your question from a book before me, containing the annual accounts of the receipt and expenditure of the Corporation. If you wish to know the amount for metage I can give it to you in gross.

79. In your subsequent Charters you say that weighing comes in as well as metage ?—Yes.

80. I believe that that applies to different kinds of coal, does it not ?—It was a matter of convenience to the trade to weigh coals which were hard and intractable, which could not be put into a bushel or chaldron ; they were weighed, so many bushels into the chaldron ; and if coals came in very large lumps on the decks of vessels, larger perhaps than could be conveniently stowed in the hold, then they called in our weighers. That was the practice ; but all coals almost were sold, with that exception, by measure up to 1831.

81. Do you imagine then that after July the 5th you would have to measure all coals instead of weighing them, supposing that you wished to levy your dues ?—Yes ; if they were bought and sold by weight we must weigh them ; if they were bought by measure we must be prepared to measure them.

82. *Chairman*.] But do you claim to act as both measurer and weigher ?—Yes ; but we should suit the convenience of the trade, no doubt ; we should not claim both duties. If anybody wished a ship weighed out we must weigh it ; if they wished it measured out we must be prepared with proper vats to measure it out.

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83. Mr. *Lawson*.] In the continuing statutes no other process has been contemplated but the weighing, has it?—That has become the almost invariable practice.

84. Therefore you would be put to a great deal of inconvenience, to put it mildly, supposing you had not these statutes to rest upon?—There would be a great deal of inconvenience to the trade, and a great deal of inconvenience and expense to the Corporation, no question about that; but, as I have already said, we have come here to see if any reasonable arrangement can be made by which the public can be satisfied without sacrificing the rights of the public creditors.

85. I want to know whether you do not consider that the rights which you claim in respect of coal differ entirely as to whether it is sea-borne or canal and railway-borne?—There is no doubt a difference. One is more ancient, and is a prescriptive right, and the other has been granted by Parliament in protection of a prescriptive right.

86. But not in confirmation of a prescriptive right?—That I can hardly say.

87. I mean in respect of canals in particular. Supposing it were made clear that the right of levying a due upon canal-borne coal lapsed, I daresay you are aware that the due on the railway-borne coal under these different Acts would lapse at the same time?—No, I am not aware of that.

88. You are not aware that in these private Acts it is mentioned that the same due should be levied as in the case of canal borne coal?—Those are questions which would hardly fall within my province to answer; they are legal questions, and it is in the hope of avoiding questions and expensive litigation that the Corporation present themselves to say, We are ready to have any reasonable arrangement about this matter so as to get rid of all the duties on coal.

89. But you would admit that there would be considerably more difficulty in dealing with the coal that comes by canal or railway than in dealing with that which comes by sea?—I think so; that is my personal opinion; but I am not giving a legal opinion.

90. Do you wish to give any further answers in respect to the Charters?—No, I am not aware that I need, unless some point should arise. I think I ought to mention, as I was asked the question, and could not answer it at the moment, that last year the receipts for fruit metage were 807 *l.* 9 *s.* 2 *d.*

91. Mr. *Hargreaves Brown*.] In this Bill, on page 4, at the bottom of the page, it recites certain reservations in favour of the Corporation; that at the end of a term of seven years from 1831 the rights and privileges of the Lord Mayor and City of London, with respect to the weighing and measuring of coals, should be respected if the Act was not continued; is not that so?—Yes, it is so. That is the saving clause.

92. Therefore at as late a date as 1831 we have a Parliamentary decision that there are certain rights and duties of the City of London?—Yes.

93. Mr. *Lawson*.] As to sea-borne coal, that is?—It was only on coal brought into the river, no doubt.

94. Are you prepared to answer any questions with regard to areas?—Yes.

95. May I ask what area you would levy these dues on after July 5th; you are aware it is not the area of the statutes?—The matter is hardly a question of area, it is a question of where the duties under the different Acts of Parliament pass certain boundaries. For instance, on the canal, if they arrive at Grove Park, near Watford, account is taken and the duties paid.

96. Is not that under the Canal Acts?—Under the Canal Acts.

97. But you levy dues on sea-borne coal by the prescriptive right, which you say was confirmed in your Charters?—But that prescriptive right has been varied by Act of Parliament from the time of William IV. down to the present.

98. But you would then revert to the old condition under which you levied coal dues before the Act of William IV.?—Yes.

99. Was not then the area of the Port of London the River Thames from Staines to Yantlet Creek?—Not with reference to the canals.

100. Does it not strike you that a great difficulty would arise in having to change the area of the incidence of the tax?—I am not aware that the area would have to be changed, but I am quite prepared to admit that there would be difficulties and inconveniences to the trade.

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101. *Chairman.*] With regard to the Local Railway Acts which continue the dues, there are certain areas prescribed in those Acts, are there not?—Yes.

102. Certain stones placed which are prescribed in the Acts?—Yes; there is an area extending about 15 miles from the City of London at which accounts are taken, and there are about 240 points on that area where coals can enter either by railway, by common roads, or by canal; the accounts are taken there; that is the present system. How the matter would come about under the new system outside the Port of London I am not prepared at this moment to say.

103. *Mr. Lawson.*] Under the Grand Junction and Paddington Canal Acts the amount of duty to be levied was 1 s. 3 d., I believe?—Yes.

104. How much of that was payable to the Corporation?—Fourpence would be their claim for the metage at that time; 4 d. a chaldron.

105. And was that appropriated?—That was not appropriated; that belonged to the Corporation, and up to about 30 years ago was applied to municipal purposes. The Corporation then came to Parliament, and they applied the 4 d. to public improvements in London.

106. Was there no trust in favour of certain objects in regard to this duty upon canal-borne coal?—A portion of that duty would belong to the Orphans' Fund at that time.

107. How much?—Tenpence a chaldron, if it was by the chaldron; it would be 10 d., 4 d., and 1 d.; and then afterwards was converted into 8 d., 4 d., and 1 d.

108. One penny for the market funds?—One penny for the market funds; 8 d. for the London Approaches Fund.

109. You gave evidence on the Coal Duties Metropolitan Bill of 1853?—Yes.

110. You were then a clerk in the Chamber of London?—Yes.

111. Do you recollect the evidence of Mr. Warren?—No; I did not know him, and I do not recollect his evidence.

112. Are you aware that he contested entirely the view of the Corporation with regard to this canal-borne coal?—I recollect that there was evidence tendered against the Corporation; but it was not sustained by the Committee. I forget what the precise character of the opposition was.

113. But was it the case that this 1 s. 3 d. due was collected from the coal brought by the Grand Junction and Paddington Canals up to the date when it lapsed or was superseded; was the whole of the 1 s. 3 d. collected?—It was, unquestionably, and paid into the Chamber. I have known proceedings at Watford, where barges have passed without paying it.

114. But was the whole of it collected. I have no doubt that some part of it was; but is it not true that the only part which was collected was that which was applied in trust?—It is a great many years ago, but my opinion is that that was not so, but that the whole of the duties were collected then.

115. Then you admit that the 4 d. collected from the coal borne by the different canals stands on a different footing from the 4 d. claimed by the City with regard to sea-borne coal, in that it has been always under the control of Parliament, and was originally imposed by Parliament?—It does stand, no doubt, in a different position; there is no question about it.

116. Therefore if Parliament does not appropriate it to any object, you would not claim that you had any right to collect it?—Our claim would arise unquestionably if the coal proceeded through the canals and entered the Port of London, any part of the Port of London, at Brentford, or at the docks, or at any part of the port.

117. Supposing it came by the Paddington Canal?—The Paddington Canal has two exits on the Thames, one at Brentford and one in the docks. If the coal passed from the canal into the river it would at once become chargeable with metage.

118. But not unless that occurred?—I am not prepared to answer that question absolutely.

119. *Sir Richard Temple.*] Is the terminus of the Grand Junction Canal within the limits of the City of London?—No, not within the limits of the City, but within the limits of the port.

120. Where

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120. Where is it?—I do not exactly recollect at the moment.

121. But the terminus of the Grand Junction Canal is the point where it joins the river, is it not?—I do not recollect at this moment where it joins the river.

122. The terminus of the Canal is the point where the Canal joins the river, is it not?—I cannot answer that question absolutely, because I do not recollect where the terminus is at the moment. I dare say there are those present who can answer the question when it arises.

123. But is the coal due levied at the terminus?—The account is taken, and the dues are payable at Watford, close by Watford, by Act of Parliament, before they enter the London district.

124. Is the coal that comes to Watford meant for the City or for the metropolis generally?—It is for both. We are not setting up any exclusive right. These duties have been applied for very many years for the benefit of the metropolis, the whole of them.

125. Mr. *Lawson*.] For how many years?—I cannot give you the exact date; but certainly for 30 years.

126. Before that time they were applied exclusively to the benefit of the City of London, were they not?—Not exclusively; because under this very Act of William IV., we took charge of all the pensions of the meters, 20,000 *l.* a year at that time; that has all passed away now.

127. I am not dealing with the pensions of the staff?—The money was received by the Corporation under this Act chargeable with the pensions to the meters who were deprived of their office, a large number of them, and we accepted a charge first of 21,000 *l.* a year; that has fallen down until all the parties are dead; a few years ago the last of them died, but that was a public purpose in order to enable Parliament to try this experiment.

128. Sir *Richard Temple*.] All the coal that comes by the Grand Junction Canal comes virtually into the Port of London?—That is a question which I have not the means of answering from my own knowledge.

129. Mr. *Lawson*.] I want to ask you whether you recollect if in all the private Acts with regard to these railways that you quote in your Memorandum, there was a clause inserted to this effect: "The like duty per ton as shall for the time being be payable to such person or persons as the Mayor, Aldermen, and Commons in Common Council assembled shall direct or appoint in coal, culm, and cinders brought by the Grand Junction and Paddington Canals nearer to London than the stone or post in Grove Park, or brought down the River Thames nearer to London than the City Stone on the west side of Staines Bridge, shall be paid in like manner on all coals, culm, or cinders brought by the railway, hereby authorised to be made nearer to London than a stone to be placed," and so forth; that is to say, that in each of these railway Acts there was the Canal Clause inserted; a clause limiting the right to the duty charged upon coal coming by canal?—I believe that was so; I have not the Acts before me, but that is my impression.

130. Therefore I would ask you, if the duty on the canal-borne coal cannot be levied, would you contend that you can do anything with the coal brought by these railways?—Until those clauses are repealed I am advised that we could.

131. But then you have the General Act of 1885?—It does not repeal all these private Acts; it varies the circumstances, but does not repeal them. To get rid of all questions of coal, all those private Acts would have to be amended, and those clauses repealed; and as I said before, it is to get rid of many of these questions which are extremely unpalatable to the trade (the Corporation do not wish to do anything that would be inconvenient to the trade) that they come, hoping to be able to arrange this matter fairly between the two parties.

132. May I ask whether under your prescriptive or chartered rights you grant any drawback on coal which comes to London for exportation?—No; if we exercised our rights in the Charters, there would be no drawback.

133. That would be a slight inconvenience to the trade, would it not?—A great inconvenience. That is one of the matters that I referred to.

134. Sir *Richard Temple*.] Do I understand that the prescriptive rights
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extended originally to all coal that came into London generally, and not only to London City?—To London generally; what is called the Port of London, which is recited in the Charter, and was, in fact, the river from the Nore up to Staines.

135. Mr. *Lawson.*] From Yantlet Creek up to Staines?—Yes.

136. Sir *Richard Temple.*] I suppose there was no other means of coal coming to London at that time except by river?—No.

137. It never came by land?—No, it would not be worth while to bring it overland till railways were formed.

138. So that that virtually would be coal for all London: Two centuries ago, coal coming to the Port of London meant coal for all London?—Yes.

139. *Chairman.*] Would you put in a table showing the receipt and application of the City's duty of 4 *d.* per ton from the year 1861 to 1888?—I think perhaps, at this stage I had better put in the accounts. As a matter of form I have signed the accounts, and I put them before you.

140. Mr. *Lawson.*] You said that the Grand Junction Canal went into the Thames, did you not?—No, I did not commit myself on that point. I hand those in as accounts signed, for which I am responsible (*producing some accounts*). These Blue Books are proofs that came in last night; I have not called them over, and there may be some trifling inaccuracies.

141. *Chairman.*] I may take it that the 4 *d.* per ton duty upon coal now amounts to what would you say per annum?—Might I first just give in order a list of those accounts I have put in? I shall have to refer to them separately perhaps.

142. I want this account just now, the account of the receipt and application of the City's duty of 4 *d.*; what is the produce of that, now, per annum, upon a general statement?—In 1887 the gross amount reached 176,630 *l.*, of which drawback and return of duty is allowed under the Acts for coals going out of the district and abroad, reducing the net produce to 143,780 *l.* That is the largest amount that has ever been collected.

143. And I see, for the six months of 1888, it would be still larger?—For the six months of 1888 it was still larger.

144. You have got 110,000 *l.* for the six months?—About 110,000 *l.* gross.

145. The expenditure upon that in this table which you have given here has been, beyond expenses of administration, in paying the Cannon-street Improvement and the Holborn Valley Improvement, chiefly?—Yes, entirely.

146. Are the Cannon-street Improvements now entirely paid off?—They are entirely completed, and all the debt paid off some years ago.

147. How did you obtain a right to apply them to the Holborn Valley Improvement?—By Act of Parliament of 1864, the Act 27 & 28 Vict. c. 61, to authorise the Corporation of London "to form a viaduct or raise-way across the Holborn Valley, and new streets and improvements connected therewith, and for other purposes."

148. And how much did that give you a right to apply?—The 4 *d.*, the whole of the 4 *d.*

149. During the continuance of the Act?—Yes.

150. Mr. *Lawson.*] Is not this loan raised upon the security not only of the 4 *d.* coal tax, but also upon the general estates and revenues of the Corporation?—It is.

151. *Chairman.*] What is the amount that you borrowed during the continuance of that Act?—£. 1,715,000 under different Acts and continuations of that Act.

152. Will you mention the sums?—Under the Act of 1864, 600,000 *l.*; under the Act of 1867, 500,000 *l.*; under the Act of 1869, 600,000 *l.*; under the Act of 1872, 15,000 *l.* (the powers were for 99,000 *l.*, but the Corporation have raised only 15,000 *l.*, which was sufficient to complete all the works).

153. And that is the last that you have borrowed?—That is the last.

154. Mr. *Lawson.*] Of course this 4 *d.* is on the whole of the London coals; not the duty on the sea-borne coal only?—No; this is the 4 *d.* coal duty continued to the 5th of July next.

155. *Chairman.*] That makes 1,715,000 *l.* you have borrowed altogether?—Yes.

156. Sir

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156. *Sir Stafford Northcote.*] Does that appear on this table before us?—Yes, at page 4 there is a statement of the “loan account.” You will see the account, debited 1,715,000 *l.*, and credited “by Holborn Valley Loans discharged, 860,200 *l.*; by balance remaining at date” (that was the end of last year), “854,800 *l.*”

157. *Chairman.*] You bring that 854,000 *l.* on page 9 to 44,768 *l.* odd?—That is an account bringing everything down to to-day, up to the 25th of this month. I balanced all the books in order that you might have it six months further, and in fact show the state of the account at the present moment.

158. Now I will ask you to put in those tables that we have here?—They are all there in manuscript signed by myself; these are identical with them.

159. *Sir Bernhard Samuelson.*] With regard to the sum of 744,768 *l.* which appears on page 9, does that include interest up to the time when the loan will be discharged by instalments?—No, that does not include any interest, excepting what has been paid up to this time.

160. This is owing as capital?—This is owing as capital.

161. And will bear interest up to the time when it will be discharged?—Yes; that would be so.

162. *Mr. Hargreaves Brown.*] At what rate did you borrow it?—Part at 3 per cent., and part at 3½ per cent.; the greater part is at 3½ per cent.

163. *Mr. Lawson.*] Of course the security was not under the London Coal Act?—No; the Act of Parliament gave power to raise it upon the 4 *d.* coal due then existing, and the City's estates and revenues. Under those revenues came this claim which we make for duties which revive. That is a pledge to the bondholders, and a matter which we consider we ought, in their interest as well as our own, to look to.

164. *Mr. Baumann.*] Can you give the Committee any idea what the 4 *d.* duty on sea-borne coal only would amount to?—Yes; I can give that from the last year's account.

165. *Mr. Lawson.*] Might I ask you to give also the different items for coals brought to the Port of London by railway conveyance, inland navigation, and road traffic?—Yes; I can give them all.

166. *Mr. Baumann.*] You give us in these accounts the gross and also the net produce of the coal duty of 4 *d.* a ton on all coals on which you have got a right to levy it; can you from your accounts tell us how much 4 *d.* a ton on sea-borne coal only coming into the Port of London would produce, excluding the canals and the railways?—The amount of the 4 *d.* duty for sea-borne coal would be gross 78,385 *l.*, from which must be deducted the drawback and return of duty and expenses. This account will not enable me to answer the question at the moment, because although the receipts are given in detail the drawback is given in one sum. I must request you to ask the Registrar of the Coal Market, who has got the detail, the sea borne drawback and the others; I think he will answer it. My account as made out and printed gives the produce of the 4 *d.* duty by sea-borne, and then by railway, and then by canal, in detail, but it gives the drawback and return duty in gross.

167. *Mr. Lawson.*] Will you go on to say what is the gross amount of dues levied on coals brought by railway conveyance?—The gross amount is 97,798 *l.*

168. Now, by inland navigation?—£. 186; and by road traffic 260 *l.*

169. The road traffic falls under the statutory dues, of course?—Yes.

170. Nothing to do with the Charters?—Yes.

171. *Sir Bernhard Samuelson.*] Was there any relation between the last term of renewal of these duties and the period when it was expected that the sums borrowed for the Holborn improvements would be liquidated?—If I quite understand the question, there was some doubt as to the sufficiency of the coal duties to meet the whole of the obligations; when they were last renewed there was some doubt as to that, and the Corporation put in, honestly and honourably, their own estates and revenues, that the security might be absolutely safe.

172. *Mr. Lawson.*] That was, of course, with the knowledge that some of the loans could not be repaid till 1892, and that, therefore, some would fall upon

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[Continued.]

the estates and revenues, other than coal dues?—No, it was not with that knowledge, because the duty was an uncertain amount; and I should explain that up to the year 1866 there was a certain progression of duty which enabled a calculation to be made, and I was called upon to make calculations. In that year there was a great collapse of trade, as gentlemen will recollect, a great panic in the money market, and a collapse of trade which affected the duties for several years, and the progressive increase did not take place, so that in some respects the calculations were not verified.

173. Mr. *Hargreaves Brown*.] By the Act you have recited, you had power to apply the 4 *d.* coal dues to the Holborn Valley Improvements?—Yes.

174. Is it expressed in that Act in this way: that you had power to apply the 4 *d.* duty for the purposes of the Holborn Improvements, and any receipts that may be deficient from rates in the City; or did you apply the rates of the City first, and the 4 *d.* coal duty afterwards?—No; the Act pledges the coal duty first; and then there is a clause contained in all the Acts that if the City should find it deficient at any time they might make an advance out of their own funds to supply the deficiency, but they were to recoup themselves again if the funds should be sufficient. In these accounts, if you look at the last account particularly, you will see that I have stated in a note which appears in the tabulated account also, that “there is a sum of 32,558 *l.* 10 *s.* advanced by the Corporation to be reimbursed out of future coal duties under the Act 30 Vict. c. 55, s. 36.”

175. *Chairman*.] What have you pledged to your creditors, the 4 *d.* coal duty as by statute, or as by prescriptive right?—By statute, as we were obliged to do by the Act of Parliament. It is the 30th of Vict. c. 55, ss. 35 and 36 will answer the question. Section 35 gives power to borrow on the 4 *d.* coal duty 500,000 *l.*

176. Mr. *Lawson*.] This is the second Act you obtained for the purpose?—Yes. The 36th section, which is as to the application of the 4 *d.* duty states how it is to be applied: “The Mayor, Aldermen, and Commons shall apply the fourpenny coal duty as follows: First in payment of interest accruing due in respect of subsisting charges thereon; secondly, in payment of interest on money borrowed under this Act; thirdly, in payment of the principal of subsisting charges on such duty; and lastly, in discharge of principal money borrowed under this Act; and in case they at any time discharge, any money borrowed under this Act or any interest thereon out of any fund other than the 4 *d.* coal duty, they may from time to time retain or repay to themselves out of the subsequent proceeds of that duty the amount so discharged.”

177. Sir *Stafford Northcote*.] And it is under that clause that you advanced the sum of 32,558 *l.*?—Under that clause in 1888, the Corporation having lost the duty allocated for one year to the up-river bridges, paid out of their funds 32,558 *l.* to pay off bonds.

178. Sir *Richard Temple*.] What do you mean by the up-river bridges?—For one year to the 5th of July 1889. There has been an Act of Parliament passed giving to a joint committee of the Corporation of London and the Metropolitan Board of Works power to free Kew Bridge and all the bridges between Kew and Staines up to Staines Bridge, and the duty for that year is allocated for that particular purpose.

179. That is what is meant by the term up-river bridges, the bridges between Kew and Staines?—Yes; the Joint River Bridges Committee it is called.

180. *Chairman*.] But to come back to what I want, you gave your creditors the security of the fourpenny rate, which you knew was a terminable security?—Yes, unless extended by Parliament. Parliament had always hitherto extended it.

181. Was there anything more than the powers of that particular Act for a particular term?—No, nothing more raised under the Act according to the terms of the Act.

182. Which the creditors knew to be a terminable security?—Yes, unless renewed by Parliament or the prescriptive rights revived.

183. Mr. *Lawson*.] But you are only dealing with the sea-borne coal again there; and the whole of that might disappear conceivably, because no one would bring coal into the Port of London at all?—I am not prepared to say what the effect will be with respect to railways or canals.

184. But

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[*Continued.*]

184. But still that is not a prescriptive or chartered right?—No.

185. *Sir Richard Temple.*] But would the creditors have understood that, in the event of this 4 *d.* not being continued by Parliament, the City would then fall back upon its chartered and prescriptive right to levy a duty?—Unquestionably; that all the revenues of the Corporation, whatever they might be, that they among the rest were mortgaged.

186. *Chairman.*] Have you a copy of the debentures?—Yes; the debentures are very short in form.

187. *Sir Richard Temple.*] Would the creditors have considered this right of falling back upon the prescriptive duty as part of the security?—I have not a doubt, if they were to look into the matter, they would do so.

188. *Mr. Lawson.*] This loan was secured on the general estates and revenues of the Corporation, which are very considerable, are they not?—The estates and revenues of the Corporation unmortgaged for public works are not considerable.

189. You would not say that any creditor took the trouble to go and ask whether this prescriptive or chartered right had any existence; that would not occur to him; he would only deal with the statutory right?—I cannot answer what the creditor might do. The bonds are prepared in the comptroller's department, and if there were any negotiations about loans they would see the comptroller.

190. *Sir Richard Temple.*] These prescriptive rights, upon which the City might fall back in the event of the 4 *d.* not being continued, would be included in the term "Estates and Revenues"?—Yes; unquestionably they have that security in law, whatever it is worth.

191. I asked you just now whether you understand that the creditors so understood; you replied that you believed they did?—I know that inquiries were made, but I cannot say what influenced the mind of any particular creditor. I may say generally, that the Corporation's credit is very good, and that very many persons of course would lend money upon the credit of the Corporation; but I do know that even in the last few months many creditors have been to inquire of me what the security is for this loan and the other loan. I have told them unreservedly that if this duty ceases, there will be rights for what they may be worth, or what they will produce, which will revive, and which we have mortgaged.

192. *Chairman.*] Besides that they have the security of your estates?—They have the security of the estates, no doubt.

193. Are these very large?—We have not had them valued; but I do know that there is a considerable margin of course between the City's liabilities and the City's estates, I am not prepared to value them or say how much it would be.

194. *Mr. Baumann.*] Would you tell us when are these bonds redeemable?—At different dates, spread over 10 years.

195. You have got 854,800 *l.* worth of bonds out?—Yes, less than that now; that was at the end of 1888.

196. Can you tell us the amounts and when they are redeemable?—I could produce such an account.

197. It is rather important in this inquiry to have the number of years for which these will be continued, if at all?—The Corporation have power to arrange with their creditors. They would pay off as many as they could.

198. When do the first bonds become redeemable?—In 1891.

199. Do you know how much?—I can only speak from guess-work, I should think about 30,000 *l.* or 40,000 *l.*; but the Corporation, when they have surplus moneys on this account or any other account which they think right to apply, buy up these bonds in the market; they can buy them at a small premium; I have orders now to buy some.

200. *Chairman.*] Have you lent any money in excess of what you are empowered to do by the Act?—No, except in temporary loans, while the work was proceeding on surplus lands, which were unavailable, but all of which loans are closed now.

201. Now with regard to your assets here in the last account; does that con-

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[*Continued.*]

tain all the assets; does it contain the value of the ground-rents or anything that you may have had?—I have the valuation of the City Architect. It is not ground; all the ground is built upon; it is rents for terms of years and reversions which we have.

202. Mr. *Lawson.*] What does this mean; “valuation of property unsold at date”?—Property which has been built upon, the ground leases of which the parties have not bought; they have the option of buying it up at a certain number of years’ purchase, and by degrees they are buying it up; but it is capital at the present time of 55,000 *l.* to 56,000 *l.* as the architect has valued it.

203. *Chairman.*] But your rents would form capitalised a very large asset—We have only now as an asset a rental which would be equal to the percentage on 55,000 *l.*

204. Is that the valuation?—That is the valuation made yesterday by the City Architect. I have got it here made in considerable detail, but it is not desirable to publish the names. I had better put in the architect’s gross valuation (*handing in a Paper*), he has given me all the details and all the parties’ names. I think it is not desirable to print that document so as to let the tenants have access to it.

205. Sir *Bernhard Samuelson.*] Is there a period within which the remaining sum borrowed is to be repaid?—It is left to the Corporation to meet that liability out of its assets, of which we contend that these rights form a part.

206. But my question is whether there is not some period at which the creditors have a right to demand the repayment of the sums borrowed?—Yes, there are certain bonds out, falling due at certain years.

207. But what is the last period at which any bonds fall due?—I think I can answer the question from our accounts. (*The Witness referred to the Accounts.*) The last bonds are 1898.

208. What are the amounts due then?—£. 42,300; but from year to year the Finance Committee of the Corporation make arrangements with their bondholders; they offer them their money if they like to take it, or if they like to renew it for a few years they can.

209. Still there are fixed periods at which creditors may demand the repayment of these bonds?—Each bond has a fixed period assigned to it. There are some due in 1891, a large amount of which is paid off now, or arranged for to hold for five or three years, or whatever the tenants have thought fit. Then there are some due in 1893, 1895, 1897, and 1898.

210. What do you mean by “tenants”?—I should have said the creditors or holders of the bonds.

211. Will you please turn to your Holborn Valley Improvements Account on the 5th June 1889, that is on your last page; I see there, “Cash Balance on the Holborn Valley Improvement Account at date, 55,812 *l.*”?—That arises, I should explain, from property which has been sold since the end of last year.

212. Are those properties which are either owned by the Corporation, or owned in freehold by the various owners of the property; is there any property there for which you get rent?—Yes, property which the architect valued yesterday at 55,000 *l.*

213. Is that the rental of property at the present time?—The rental at the present time; but he has taken into account some which he thinks will not command the same rent, and some which he thinks will command a higher rent. He was two hours on the property yesterday.

214. This 59,981 *l.* here is the estimated value of the rental of the Holborn Valley Improvement?—Yes.

215. That is the value of the property which you have yet to sell?—Yes, the capital value.

216. Mr. *Lawson.*] As estimated by your architect?—Yes.

217. Mr. *Hargreaves Brown.*] There is no charge here for the annual accruing rent which is on that property:—That is the value of it; we put that down as ready money; in dealing with this question, we say, We have got that asset. The tenants, I should explain, have most of them the option of taking these rentals up at 25 years’ purchase, and they can exercise that option at any time; and the architect has been round, and has valued them accordingly; and there

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[Continued.]

there are some who have not that option ; there are some cases, he told me, in which he could get a little more rent when they fell in ; in some he would get less.

218. *Chairman.*] Does this account contain the whole of your assets ?—Yes, the whole.

219. You have no other assets of any other kind for this purpose ?—No.

220. *Sir Bernhard Samuelson.*] You have no objection, I suppose, to stating what is the present rental of the property that you value at 55,000 *l.* ?—I can tell you the rental we got in last. As I explained, we have sold 35,000 *l.* worth of property this year. If you will look at the Account No. 1, on page 5, the receipt on the Holborn Valley Improvement, you will see the last figure, that for 1888, was 3,884 *l.* received ; but since then we have sold property to the value of 35,000 *l.*, and therefore we have not that rental. Some of the property is nothing but vaults in the body of the Viaduct, which would be wanted by one tenant and not wanted by another. The Viaduct is made hollow to a certain extent, and there are vaults and cellars very useful to some tradesmen but not useful to others.

221. *Chairman.*] Then the general result is, that 774,768 *l.* is due, with no assets to meet it, except the coal dues, if they had been continued, and the property of the Corporation ?—Yes.

222. No other assets ?—No other assets. Valuing the whole matter at this day, as we stated in a Paper which went round the House, and which was guessed as nearly as it could be, there was 750,000 *l.* due by the Corporation to its creditors in this matter ; it comes out exactly at this date, 744,768 *l.*

223. *Mr. Lawson.*] You gave the dates in answer to an honourable Member, at which the bonds might have to be paid off ; I wish to ask you whether these different dates have any relation to the state of the coal dues ?—No ; they have relation to the convenience of the Corporation finance and the Corporation's creditors from time to time ; and sometimes a very large amount falls due, in some years a smaller amount ; they meet two or three years in advance, and they offer the creditors an option ; if they want renewal they have it ; if they do not, they arrange to pay them off, or buy the bonds of them at the market price.

224. *Chairman.*] The debts incurred were much larger than you anticipated, were they not ; the expense of the improvements was much greater ?—Yes ; they were much larger than was at first anticipated ; but when the Corporation came to Parliament, the improvement was very much enlarged, and the viaduct was brought up on to a perfect level. It was not anticipated at first that it would be an absolute dead level ; it was very desirable that it should be so for the purpose of traffic ; but when it was lifted all the streets had to be lifted, and the gradients were affected, and improvements carried out further in all directions. There is no question about it, that it was very much improved and very much enlarged.

225. *Mr. Lawson.*] May I ask you one or two questions in respect to the improvement itself. Altogether, I believe, the money borrowed under successive Acts of Parliament, beginning in 1864 and ending in 1869, came to 1,700,000 ; you have said that ?—£. 1,715,000.

226. I see that by the sale of land, ground-rents, and reversions, you received 986,000 *l.* odd, that is at page 8 in the "Summary of the Accounts, Nos. 1 and 2" ?—Yes, that was so.

227. By reimbursements and profit on investments, and other matters, you received an additional amount, which brought up the total to 1,266,400 *l.* odd ?—That was so.

228. Has all that money been spent in repayment of the loan ; it could not have been on the face of it ?—It has been spent in repaying the loans on the Holborn Valley. The existing charges of course, when this improvement was entered upon, are included in that, and interest.

229. There is no money included in these receipts which has not gone to repayment of capital or payment of interest on the loan ?—No money except the balances which are set out on page 9, which is a balance of 18,000 *l.* on the coal duty account, and 35,800 *l.* on the Holborn Valley account.

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230. And

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[Continued.]

230. And that you are perfectly certain of; that no money has been otherwise spent?—Certainly not.

231. *Chairman.*] We presume that these accounts are correct, and that you have given us the creditor and debtor amounts?—I have extracted the figures every year from the annual accounts of the Corporation, which are not only audited but published every year in more detail than I have given; I have extracted every figure from accounts which have been audited, and it has been the custom of the Corporation to audit the accounts twice for the last 12 or 15 years; that is, the Common Hall auditors are appointed, and the committee have appointed auditors themselves, so that, irrespective of my own share in the matter, these figures are, if the printer has correctly represented them, which I believe to be the case, absolutely correct.

232. *Mr. Lawson.*] I believe that in 1869 the finances of the Corporation were in a very different state from what they are now, because you had not spent so much money on the Tower Bridge?—That has nothing to do with it, because there is a separate trust estate of the Tower Bridge, called the Bridge House Estate, which is not mixed with this account or the City's cash account.

233. Those loans are secured upon the City's property, and that would include anything to which you would lay a claim as forming a part of your estate?—Anything that the Corporation have issued under their seal they are responsible for.

234. I mean in those estates are included the prescriptive rights which you now claim?—No doubt about it.

235. At that time these creditors had as a further security one over a million of money which has been spent on the Tower Bridge improvement?—In effect the Corporation have contracted no responsibility whatever. The Bridge House Estates were proved in these rooms to be absolutely sufficient to build the Tower Bridge; the Corporation gives its credit in order to be able to raise the money at the lowest rate of interest for the benefit of the public.

236. Would you tell me what the total income of the Bridge House Estate is?—It is amply sufficient for the purpose, because the whole matter was sifted in these rooms. They have raised the loan, and the works are proceeding, and there is the surplus to pay off bonds every year.

237. But by the amount which you spent there, the total of your unmortgaged estate was diminished?—No, it does not affect our estates at all.

238. Is that not included in your general estates?—That is a purely trust account which was able to build the Tower Bridge, and Parliament gave authority because they were satisfied that it was enough.

239. Was not that part of your general estates?—No, never mixed with it.

240. Still would not the creditors have that security among the general securities?—The rents and quit-rents of 1887 were 86,700 *l.*

241. *Chairman.*] You say that that Bridge House Estate is a separate trust, and was not included in the security which you gave to the lenders upon the Holborn Valley Improvement?—No; it is quite independent of the Holborn Valley Improvement; it is an estate that has never been mingled with the coal dues or the Corporation estate. It is a separate trust.

242. Would not that legally form part of the security?—If the Bridge House Estates were to fail there is no question about it that the Corporation estates and revenues, including everything they have, would be liable. But I say that there is no probability of anything of the sort. There is a considerable surplus on the account even now after raising three-quarters of a million for the bridge.

243. *Mr. Hargreaves Brown.*] I see, with regard to the 55,000 *l.* which you have given here, part of that is valued at 25 years' purchase?—Yes.

244. Part of it is valued at 16 years' purchase?—Yes.

245. And part of it is valued at 18 years' purchase, and part at 14; are not those extremely low valuations for such a property as this Holborn Viaduct property?—I am not a valuer. The City Architect went round yesterday with his chief clerk, and fixed those values. It depends upon circumstances. I have told you that some of the property there let is nothing but cellars in the body of the Viaduct, which, if they are wanted, will be valuable; if they are not, the architect in that case puts them down at a lower figure.

246. *Chairman.*]

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[Continued.]

246. *Chairman.* You desire to add something?—The City Remembrancer thinks I did not make the Committee understand about the Bridge House Estate; that it is absolutely a trust account, which has no connection with this account.

247. *Mr. Lawson.*] A trust account what for?—For maintaining Southwark Bridge, Blackfriars Bridge, London Bridge, and building a bridge over the Thames at the Tower.

248. But that Act with regard to the Tower was only obtained in 1885; it was not mortgaged for that purpose at the time that the debt was incurred with respect to the Holborn Valley?—There was an additional charge made on those estates for the Tower Bridge, but the other charges for those other bridges were then in existence, all of them.

MR. ROBERT WATSON COOPER, called in; and Examined.

249. *Chairman.*] IN what capacity do you appear here as a witness?—I appear really on behalf of the coal-owners of Northumberland and Durham, whom I am mainly connected with, and also as the draughtsman of the Bill which I drew for Sir Joseph Pease.

250. You are a solicitor, are you not?—I am, in Newcastle-on-Tyne.

251. And you draughted the Bill which has passed the second reading?—I have.

252. In order to shorten your examination, might I ask whether you have been present at the City Chamberlain's examination?—I have, throughout.

253. Do you agree with him as to his historical exposition of how the City obtained its prescriptive and chartered rights?—In the main, I think, I do. There are one or two points as to which I made a note while he was giving his evidence, and to which I should like to direct the attention of the Committee. In the first place, he rather questioned the propriety of reciting the Orphan Act, 5 & 6 William and Mary, c. 10 in the Bill. I cannot accept his view that the recital of that Act was surplusage; because the Act created, for some purpose or other, a perpetual duty of 4 *d.* a chaldron, which perpetual duty, as I was advised and believed, would, as a mere matter of technical law, certainly revive on the 5th of July, when the last Coal Duties Act would expire; and it seemed to me, therefore, essential to recite, in the preamble of the Bill, the Act of William and Mary, because otherwise the House would not have had before it in the preamble a correct statement of the legal position of affairs on the 5th of July.

254. Do you mean that it would create a 4 *d.* charge in the place of an ancient prescriptive right?—Yes, making together an 8 *d.* charge, but only as regards coals measured, the 4 *d.* statutory duty being a metage duty in the same way that the ancient prescriptive duty was.

255. Was there any other point on which you differed from him?—He referred to the Act of 2 & 3 William and Mary, c. 8, which he suggested had better be recited in the Bill. I looked at the Act just now. It was merely a general Act for the purpose of reversing the judgment obtained in the reign of Charles II. on the illegal *quo warranto*, which that Monarch succeeded in getting against the Corporation.

256. You have told us about the additional 4 *d.* of the Act of William and Mary making it 8 *d.*; but that Act gave, for 50 years, sixpence?—Yes, it did.

257. Namely, from 1700 to 1750, that sixpence has been continued by other Acts since then?—Yes. It was first of all renewed by an Act of the 21st of Geo. II.; it was then renewed again by an Act of the 7th of Geo. III., and finally by an Act of the 44th of Geo. III., which was the last of the renewal Acts previous to the passing of the London Bridge Approaches Act of 1829.

258. Did you consult counsel at all for your association, as to the revival of the City rights by the lapse of the Act of 1868?—Yes.

259. You consulted Sir Horace Davey?—Yes.

260. Have you got his opinion?—I have a printed copy of the original (*handing it in*), and I have also the original. You will find the opinion towards the end. There are two opinions, on pages 10 and 12 of the pamphlet, I have put before you.

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261. I see

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[Continued.]

261. I see the case put to him is very much the case you have put in the preamble of the Bill?—Entirely the same.

262. Then, perhaps, you will read Sir Horace Davey's opinion?—The first opinion was as follows: "I am of opinion that in the event of no legislation being passed—"

263. Mr. Baumann.] Would you mind reading the questions that you put to counsel?—I will read the questions and the answer after each question: Question 1. Whether, in the event of the London Coal Duties not being continued by Parliament after 5th July 1889, the Corporation of London would be entitled, under Section 61 of the Act of 1831, or otherwise, to resume the rights with respect to coal, culm, and cinders, brought into the Port of London which they were accustomed to exercise previous to the Act of 1831." The answer to that question is as follows: I am of opinion that in the event of no legislation being passed continuing the "I existing coal dues beyond the 5th July 1889, when they determine under the existing Acts, the Corporation of London will be entitled to resume all rights of weighing and measuring coals, and to demand the metage and other dues which the Corporation was entitled to at the time of the passing of the Act of 1831." Then the second question was, "Whether such rights would not consist (a) of imposing in perpetuity, or at least until existing or future borrowed moneys are paid off, and without any reference to services rendered, the duty of 4 *d.* per ton or chaldron levied by the Act 5 & 6 William and Mary; and (b) of resuming the exercise of the right of weighing conferred by the Charter of 12 James I., and of charging for the same the sum of 8 *d.* per ton." The answer to that was: "It is a little difficult to answer this question on the materials before me. (1) Under the Act of 5 & 6 William and Mary, the Corporation was entitled to 4 *d.* per chaldron metage, 'over and above what was then paid for metage.' It does not appear whether there was any additional ancient customary charge." (It did appear, and I put a supplemental case before Sir Horace immediately afterwards.) "I think that the 4 *d.* would be leviable in perpetuity without any reference to services rendered on the allegation that the Corporation was ready and willing to measure. (2) I think the Corporation could resume the exercise of the right of weighing conferred by Charter of 12 James I., and charge the fee of 8 *d.* per ton. I do not, however, think they could charge both the 4 *d.* metage and the 8 *d.* per ton for weighing."

264. That meant that they must elect one or other?—They must elect. My third question was: "Whether an order to carry out the intention that after 5th July 1889 no duty or tax shall be levied by the Corporation on coals brought into the Port of London, it will not be necessary to pass an Act of Parliament as suggested in this case;" and the answer was, "I am of opinion that in order to carry out the intention that after 5th July 1889 no duty or tax shall be levied by the Corporation on coals brought into the Port of London, it will be necessary to pass an Act as suggested." Then immediately afterwards, when I got that opinion, in consequence of what Sir Horace said about not having sufficient materials with respect to the amount to which the Corporation might be entitled in respect of coals brought into the Port of London, I laid a short supplemental case before him, and then asked him this question: "Whether the Corporation would be entitled in exercise of those rights which will revive on the expiration of the Coal Duties Acts, to claim (1) the prescriptive duty of 4 *d.*, confirmed to them by the Charter of 3 James I., as measurers, or in the alternative, the Charter duty of 8 *d.*, granted to them by the Charter of 12 James I., as weighers; and (2) The Perpetual Orphan duty of 4 *d.*, imposed by 5 & 6 William and Mary, c. 10." Then the opinion was: "I think that the Corporation will be entitled, in exercise of their rights, which will revive on the expiration of the Coal Duties Acts, to claim (1) the prescriptive duty of 4 *d.* per chaldron as measurers, or, in the alternative, the duty of 8 *d.* per ton granted by the Charter of 12 James I. as weighers; (2) The 4 *d.* per chaldron imposed by the Act of 5 & 6 William and Mary 8, 10; but it will be observed that this duty is imposed as 'Metage,' and only on such sorts of coal 'as are usually sold by the chaldron,' and I doubt whether it can be demanded on coal not measured but weighed, and on which the duty for weighing is chargeable." The result of those two

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opinions seemed to me to be that, as regards coal measured, the Corporation were entitled to the two respective sums of 4 *d.* per chaldron, first the prescriptive duty, and second, the statutory duty created by the Act of 5 & 6 William and Mary, or, in the alternative, as regards coals weighed, they were entitled to the 8 *d.* granted by the Charter of the 12th James I. For that reason it seemed to me to be necessary to recite the Act of William and Mary in the Preamble of the Bill, having regard to Sir Horace Davy's opinion that that 4 *d.* created by that Act was one of the charges which would revive on the 5th July.

265. *Chairman.*] In the City Chamberlain's evidence he said that he did not attach value to that as regards the City, because the additional amount is by that Act in trust for specific uses?—That is so, the original Act of William and Mary was precise as to the use to which the Corporation had to put the orphan fund, which was solely for the purpose of paying off the debt which had become due to the orphans and certain other creditors referred to in the Act; and section 13 of the Act of Parliament expressly said, "The said monies shall not be applied, issued, or paid to any use, intent, or purpose whatever, other than for the use aforesaid"; so that the Act of William and Mary undoubtedly made that orphan fund, in popular parlance, a trust fund; nothing more nor less.

266. And when the London Bridge Approaches Act was passed, that fund was said to be annihilated; I suppose that meant paid off?—Yes.

267. And applied to other purposes?—Yes. I believe, as a matter of fact, the last payment off of the Orphan debt took place in the year 1834.

268. *Mr. Lawson.*] May I ask with regard to the Charters; you have examined them carefully, I daresay you have observed that the Charter of 1605, the first Charter of James I., only recites the prescriptive right, and does not confirm any previous Charter, though there had been an application for one in the previous reign?—That is so.

269. *Chairman.*] Perhaps while we are on those Charters, you would tell us whether these rights of the Charters were carefully reserved in various Acts of Parliament?—I think they certainly are, beginning more especially with the Act of 1831, because in all the subsequent continuance Acts, from 1831 to 1868, there has been expressly, or by reference to one of the previous Acts, a reservation Clause referring back to the original reservation Clause 61 of the Act of 1831.

270. *Sir Bernhard Samuelson.*] There is no exception whatever to that?—None.

271. *Mr. Baumann.*] I do not understand that there is any difference of opinion between you and the City Chamberlain with regard to the Charter rights of the City?—No, there is none as to their legal rights.

272. *Mr. Lawson.*] Do you believe under these Charters that the office of measurer was incidental to the office of conservator?—I think not, and I will give my reasons. In the Charter itself the two offices are granted by separate grants which, to a lawyer, you will understand clearly makes them separate subject matters. But in addition to that, previous to the granting of the Charter, I believe in the previous Trinity term, the Attorney General had filed an Information against the Corporation alleging that they were exercising rights of conservancy, and also of metage; and the Corporation justified both those rights separately. I have no doubt myself that the right of metage was a right independent of the rights of conservancy.

273. *Chairman.*] I want now to direct your attention to the other statutory charges and dues; but perhaps first you will tell us what are the quantities of coal that come into London by sea and by railway, and by canal?—I have taken the year 1888, the year ending the 31st of December 1888, as a typical year; because, although the quantities, no doubt, have gradually increased year by year, the relative proportions in recent years have been much the same, at any rate, since railway communication was made so perfect with London as compared with sea communication; and the quantities are as follows, in that year: By sea, 4,887,583 tons.

274. By railway?—7,619,223 tons.

275. By the Grand Junction Canal?—12,541 tons.

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276. Perhaps

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[*Continued.*]

276. Perhaps you would supplement the information by telling us from what counties this amount of coal came?—Of the total quantity brought by sea 4,075,057 tons came from the two counties of Northumberland and Durham.

277. And from Wales, how much?—530,360 tons.

278. And from Yorkshire?—241,192 tons.

279. And from Scotland?—19,540 tons.

280. And from Lancashire?—157 tons only.

281. Then the remainder, the 21,000 tons is made up how?—Of small coal, culm, and cinders, of which there is no precise account given in the Corporation Accounts; it is treated as ordinary quantities.

282. Now, with reference to some of the railways having coal duties imposed upon them, and others not, can you tell us the amount of tons that come in by the various railways?—Yes. For the year 1888 the figures were as follows: The North Western, 1,707,037 tons; the Great Northern, 1,320,697; the Great Western, 875,110; the Great Eastern, 1,028,294; the Midland, 2,555,654; the South Western, 94,407 tons; the South Eastern, 28,019; and the Chatham and Dover, 5 tons.

283. Now, following that out, what are the railways that are bound by statute by their own Acts to pay coal dues?—First the North Western; the North Western Railway now being the amalgamated form of the old London and Birmingham Railway. The London and Birmingham Railway obtained their Act in the year 1833, and in section 230 of the Act (the Act I may state is the 3rd Will. IV., c. 36, Local and Personal), there was a provision inserted for the protection of the Corporation. The same type of clause was put in every subsequent Act, except two that I will mention presently. The clause was as follows: It recites: “Whereas by an Act passed in the sixth year of the reign of His late Majesty King George the Fourth, intituled, an Act for granting Duties of Customs, a duty of one shilling and threepence the ton was granted on coals, culm, and cinders brought by the Grand Junction or Paddington Canals nearer to London than the stone or post at or near the north-east point in Grove Park, in the county of Hertford, or brought down the River Thames nearer to London than the City’s stone placed on the west side of Staines Bridge, in the county of Middlesex, which duty was made payable to the proper officer of Customs in lieu of the duty called Orphans’ Duty, and of all other rates, dues, and duties payable to the Corporation of London upon coal, culm, and cinders imported into the port of London, to be paid over to the said Corporation at the end of every quarter.” Then it recites the Act of 1831, “That during the term of seven years to be computed from the thirty-first day of December then next, in lieu of the said sum of one shilling and threepence by the said recited Act of the sixth year of the reign of His said late Majesty made payable, and of all other rates and duties payable to the Mayor, &c., of the City of London, the sums of one shilling and one penny per ton on all coal, culm, and cinders brought nearer to London by the said Grand Junction and Paddington Canals and River Thames than the places in the said recited Act of the sixth year of the reign of His said late Majesty mentioned, should be paid to such person or persons, and at such place or places, in such manner and under such regulation as the Mayor, Aldermen, and Commons of the City of London in Common Council assembled should from time to time direct or appoint, with such powers for the recovery thereof as are therein mentioned or referred to”; and then it recites: “And whereas the said duties would be evaded if coals, culm, and cinders could be brought to or near London by means of the said railway, without payment thereof: be it therefore enacted, that the like duty per ton, as shall for the time being be payable to such person or persons, as the said Mayor, Aldermen, and Commons, in common council assembled, shall direct or appoint, or to the proper officer of the Customs (as the case may be), on coals, culm, and cinders brought by the Grand Junction and Paddington Canals nearer to London than the said stone or post in Grove Park aforesaid, shall be paid in like manner on all coals, culm, and cinders brought by the railway hereby authorised to be made nearer to London than a stone to be placed at the entrance of the tunnel, intended to be made in the township of Cashio, in the parish of Watford, or in case any deviation is made from

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[Continued.]

from the line of the said railway, as near thereto as circumstances will admit."

284. But it gives no limitation as to time, does it?—None.

285. And are there practically similar clauses in the other Railway Acts?—Substantially, word for word the same; the other Acts being the South Western of 1834, the Great Western of 1835, the South Eastern of 1836, the Northern and Eastern of 1836, the Eastern Counties of 1836, the Thames Haven of 1836, the London and Brighton of 1837, and the London and Croydon of 1845. I may state that I have examined both the Great Northern Railway Act and the Midland Railway Act; and there certainly is no such clause, either expressly or by inference, in either of those Acts.

286. Are you aware whether it was discussed in Parliament at all, whether this clause should be omitted?—I cannot find any trace of its having been so.

287. It lapsed?—It lapsed in this way, that in 1845 the General Coal Duties Act passed, and there was a general section, Section 2 of that Act, which extended all these duties, referring to them as duties by other Acts now in force, to all railways already constructed or hereafter to be constructed.

288. Mr. *Lawson*.] When you say that it "extended those duties" you mean that it modified those duties?—Yes; it modified those duties. It extended the duties created by the Act of 1831 to these railways referred to in these private Acts.

289. Till what time?—Until the 5th of July 1862. And it altered the radius of collection. Instead of having stones placed at varying places on the railroads, as mentioned in each of the private Acts, there was one uniform radius of 20 miles from the General Post Office.

290. *Chairman*.] And in what position do they stand now; were those powers continued in the renewing Acts, the powers of charging the railways the coal dues?—No; they are never referred to again that I can find in any Act of Parliament at all.

291. Supposing that the Bill, of which you are the draughtsman, which has passed the second reading, were passed, what do you consider would be its effect on the railways which have special clauses enacting the payment of dues?—I think it would certainly swallow up any such right if it existed.

292. Without reference; without repealing?—I think so.

293. On what principle?—I am strongly disposed to think (I do not say so absolutely) that by implication these private Acts, with their special clauses on this special matter, were repealed by the General Act of 1845 which dealt with the whole of the same subject specifically and generally.

294. Mr. *Lawson*.] That is a general opinion, is it not?—I have not taken counsel's opinion on the point; but that is my opinion on the whole. I am alive to the arguments which may be urged on the other side. It may be said that the Act of 1845 was only a temporary Act, and that therefore the section only acted as a suspension of the rights given by the old private Acts, an exercise of which would clearly have been inconsistent with the exercise of the powers of the Act of 1845.

295. *Chairman*.] That is, when public and private Acts clash in principle the judges would be inclined to take the public Act as their guide?—Especially where the public Act refers in precise and systematic terms to the same subject matter.

296. Mr. *Baumann*.] Was not there a Public Continuance Act in 1861?—Yes.

297. Does that Act make no reference to these Railway Bills?—No; nor the Act of 1863, nor the Act of 1868.

298. Sir *Bernhard Samuelson*.] In this Bill, as it is before the Committee, what provision is there for repealing the private Acts prior to the Act of 1845?—The general terms of the Bill declaring that the Corporation shall not levy any duties of any kind upon any coal brought by any mode of conveyance. I was alive to the legal difficulties, as I may call them, with regard to the canals and certain of the railways, and therefore, as the Bill was intended to be a complete Abolition Bill, I took care to make the words of the section, as I thought sufficiently comprehensive.

299. Mr. *Lawson*.] But, of course, you knew they might possibly be surplusage?—The words were put in as matter of abundant caution.

300. Sir *Bernard Samuelson*.] You refer to the words “or otherwise”?—A little further on you will find “by any mode of conveyance.”

301. Mr. *Lawson*.] That covered the small amount brought by road?—Every conceivable sort of conveyance. I heard that there were views not quite in harmony with my own in regard to the rights, and therefore thought it a pity to leave anything outside the Bill.

302. *Chairman*.] If this Bill passes through Committee unchanged, the Act would entirely destroy all prescriptive rights and chartered rights?—It would.

303. Have you taken into consideration whether that would be a fair thing to the creditors of the City of London?—Yes, I have considered that generally. I find that there is no specific security given on any of these duties to any creditor, because if you look at the form of the bonds, the bonds are merely open unsecured bonds like an ordinary promissory note, and as a matter of fact the holders of the bond will have no greater claim upon any prescriptive right or duty than any other creditor of the Corporation of London would have.

304. That is to say, they took a temporary security; the security was a temporary one when it was given to them, and that security becomes lapsed?—Hardly so. The security was a temporary security, as regards the temporary 4 *d.* coal duty; but then, no doubt, the security also applied to all the estates and revenues of the Corporation, in the same way, of course, that all assets of any individual or corporation, are in a sense security for the debts of the individual or corporation; but in the sense of these duties, or any prescriptive right, being a primary security, that is to say, specifically pledged, or specifically mortgaged, you will observe on referring to the bond, that is not so.

305. Mr. *Lawson*.] Is it not the case that all the debts of the Corporation are raised upon the security of the general estates and revenues?—Naturally; a man's solvency depends upon his assets.

305. And therefore, of course, these prescriptive rights, if they exist, are as much accountable for the other loans as they are for this one in particular?—Unless the other loans are expressly and specifically mortgaged on something else.

307. *Chairman*.] Are you quite right in saying that; because, in these bonds, the 4 *d.* duty is mentioned as secured by Act of Parliament up to a certain time?—Undoubtedly the temporary 4 *d.* duty was specifically secured. I mean the 4 *d.* duty which terminates; but my remarks previously were addressed to the ancient prescriptive duty; I said that that is not in any way specifically secured; and, of course, what the Bill abolishes is not the statutory duty of 4 *d.*, which expires, but the ancient duty of 4 *d.*, which revives.

308. Mr. *Lawson*.] With this difference, that it revives on sea-borne coal only instead of the present duty on all coal?—Yes, subject to any question of the Grand Junction Canal.

309. *Chairman*.] Do you consider that the creditors who borrowed upon this security, and believing it to be sufficient for them, have no moral right to be paid in any way out of the continuance for any time of the dues?—I would hardly put it so high as to say that I think they have no moral claim; I am not indisposed to think that the abolition of any beneficial ownership of property carries with it a moral duty on the part of the Act of Parliament that abolishes it, to consider the claims of the persons who are the owners of the abolished duty or the abolished right; but in no higher sense than that I think.

310. Parliament some time ago abolished the tin dues in Cornwall, but they gave a certain compensation for the amount of tin dues abolished, to meet the liabilities of the Duchy of Cornwall; now do you think the Corporation has a claim, or has no claim, on the supposition of abolition?—Perfectly frankly, I think the Corporation has what I may call a slight moral claim upon the Committee; I do not think a very large claim, but a certain extent of claim, because they are being deprived of a property which is worth something more or less.

311. Which they believed when it existed they pledged with reference to their credit?—Pledged generally.

312. Sir

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312. Sir *Bernhard Samuelson*.] Pledged for all their debts?—Yes, for all their debts.

313. Have you any knowledge of the coal trade?—I am pretty intimately connected with the coal trade in the north of England.

314. Assuming that the duty of 8 *d.* were collected upon sea-borne coal under the prescriptive rights in the Charter, and that no duty could be collected upon railway, or canal-borne coal, do you think that that would considerably affect the quantity of coal imported by sea?—Very seriously indeed; it would very seriously affect the coal trade of the counties of Northumberland and Durham.

315. I am speaking about those counties?—I think it would.

316. There would be a very considerable diminution of the quantity imported by sea?—I think so, certainly.

317. The trade is one so nearly balanced now that a very small addition to the burdens in one direction, or diminution of the burdens in another direction, would entirely change the condition of the competition between the railway-borne coal and the sea-borne coal?—Yes.

318. Therefore, one might say that, upon the assumption I have put to you, the quantity railway-borne would very much increase, and that sea-borne very much diminish?—Especially on those two great railways, the Great Northern and the Midland, which are the only competitors of the sea-borne coal, and which are exempted from any duty at all.

319. And you have told us that the quantity of coal coming from the north of England was in excess of 4,000,000, whereas that from Wales is under a million?—About half a million.

320. And there would be some competition for this latter by the Great Western, which brings coal in large quantities, since the opening of the Severn Tunnel?—Yes.

321. Mr. *Lawson*.] From your knowledge of the coal trade, do you think that the City could obtain any substantial benefit from levying a duty claimed under chartered rights on sea-borne coal only?—Yes; I think they could.

322. Do you not think that the railway companies would be principally benefited, because the trade would be transferred to a large degree?—I am afraid that the trade might be transferred to some other part of England where it does not now exist; it would certainly be taken away from the north of England.

323. Sir *Stafford Northcote*.] Could you give us any rough idea of the proportion of coal which would be affected, supposing the 4 *d.* duty on it to be collected, about what diminution would take place?—It is almost impossible to say what the diminution would be; everything would depend upon whether or no the long distance railway rate could be so adjusted as to keep the sea-borne coal out of the market; and one knows as a matter of general knowledge that the sea is one of the principal competitors which keeps all the rates reasonable.

324. Sir *Bernhard Samuelson*.] Would you consider it unfair to suppose that the quantity of sea-borne coal would be limited by something like two million of tons?—Not at all.

325. That is to say that the duty payable then would be on something like 2,800,000 tons?—I think that would be so.

326. Mr. *Baumann*.] With regard to the question whether the Corporation would have no statutory right to levy any duty on coals coming into London by rail, do you think that the statutory right expired in 1862 as to coals coming in by rail?—As I said before the balance of my opinion as a lawyer, and of course it depends altogether upon the technical doctrine of repeal by implication of an Act of Parliament is that the Corporation would have no such rights.

327. Sir *Bernhard Samuelson*.] At any rate, that they would be rights which could be repealed without injustice?—Certainly.

328. Mr. *Lawson*. They cannot claim them with regard to two of the great railways?—They cannot.

329. In reference to other private Acts, they may be considered to have been superseded by the General Act?—Yes.

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330. Mr.

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[Continued.]

330. *Mr. Hargreaves Brown.*] This bond (*producing a bond*) recites the Holborn Valley Improvement Act of 1867, as one of the Acts?—Yes.

331. It states, in the form of a bond, that the Corporation of London, by their Chamberlain, bind themselves to pay to the owner of this bond 100 l., and they bind themselves, not only upon the security of the statutory right of 4 d. which they had at that time, but also upon any right which they may have in reserve?—Yes.

332. Which would apply in this particular case to the coal coming by sea from the north of England?—Quite.

333. Do you not think, from a creditor's point of view, that the Corporation deserves some recognition, if that right is to be taken away?—As I said before, I think they have a slight moral claim; I do not think the claim is a large one; I think the claim ought to be an exceedingly reasonable one, if I may say so with deference. I cannot doubt that they have a slight claim.

334. Also, in addition, that the right which they may have to a duty on coal coming by railway is only dependent on the very legal question whether one Act of Parliament is repealed by another Act of Parliament?—Yes.

335. Therefore they would have, in a moral point of view, some right?—I should not dispute that proposition.

336. *Mr. Lawson.*] I want to ask you whether you are not aware that the security of these charter rights to levy coal dues is only pledged to this loan in the same way that it is pledged to every City loan?—So I have said.

337. Your last answer seemed to conflict with that?—No. What I would make perfectly plain is this: that these rights are part of the Corporation estates and revenues in the same way as the whole of their property may be; these rights are pledged for their debts, and if any fractional part of those estates and revenues is taken away, there is something or other to a certain extent taken away from the general creditors' security.

338. (*Chairman.*) But the fourpence rate up to the time of the 5th of July 1889 was specifically pledged to the creditors of the Holborn Valley Improvement?—Certainly.

339. It was a specific pledge, not a general pledge upon the assets of the Corporation, but specifically pledged to the creditors of the Holborn Valley Improvement?—Yes, by Act of Parliament.

340. Is there any other point you would like to bring before the Committee?—With regard to the question that the honourable Member asked me about, the purely technical doctrine of implication, I would add this: that if I were looking at this matter as a question between two litigants, and if I were acting as the lawyer of one, that particular point is exactly one of those points I should probably compromise and not carry through to a court of law, as a matter of business.

341. *Mr. Lawson.*] You made one mistake which I think you might like to correct: you said that the coal dues had been collected since 1845, on an area of twenty miles from the Post Office; I believe that since 1861 they have been collected in the Metropolitan Police District?—Yes, that was an omission of mine.

342. (*Chairman.*) I might ask you this question: how many square miles is the area for the collection of coal dues?—I believe 700.

343. How many square miles was included in the Metropolitan Board of Works; about 150, was it not?—150, I believe.

344. *Mr. Lawson.*] One hundred and eighteen was the area?—No doubt you are correct.

345. (*Chairman.*) What is the square mileage of the City itself?—One square mile.

346. So that the proceeds of the 700 square miles was applied to two limited areas: one of the 118 and the other of one square mile?—That was so.

347. *Sir Richard Simon.*] On the other hand, as regards the Holborn Viaduct, I suppose you would consider it a metropolitan improvement for the benefit of the metropolis at large?—Yes, most distinctly.

348. *Mr. Lawson.*] But in your view that it was not carried out as it would have been if it had been taken in hand by a body representing the whole metropolis?

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[*Continued.*]

polis?—I speak as a person living outside London. I really know little or nothing of the internal disputes between the persons inside and persons outside the City.

349. *Chairman.*] Have you anything to add?—There are two items of figures that might be useful to you with regard to the position of the Corporation previous to the Act of 1831. The quantity of coals weighed is infinitesimal. I believe in the year 1826, out of a million and a-half tons of coal, only 126 tons were weighed, and the Corporation, I believe, kept no account of any receipts in respect of that office of weigher. With regard to coals measured, the expenses which the Corporation were put to in respect of their ancient prescriptive 4 *d.*, were about 36 per.cent. of the whole.

350. *Mr. Lawson.*] You have examined the Charters; have you any doubt in your own mind that the *quo warranto* process was entirely reversed by the Act of William and Mary and that there is no question as to the rights of the City having been restored?—No, none whatever.

Friday, 28th June 1889.

MEMBERS PRESENT:

Mr. Baumann.
Mr. Hargreaves Brown.
Mr. Lawson.
Sir Stafford Northcote.

Sir Lyon Playfair.
Sir Bernhard Samuelson.
Sir Richard Temple.

THE RIGHT HONOURABLE SIR LYON PLAYFAIR, K.C.B., IN THE CHAIR.

MR. HENRY HOMEWOOD CRAWFORD, called in ; and Examined.

351. *Chairman.*] You are Solicitor of the City, are you not?—I am the Solicitor of the Corporation of London.

352. You desire, do you not, to state something about the legal position of the railways in regard to the coal dues?—I understood that the Committee desired me to give them information in regard to Mr. Cooper's interpretation of the 2nd Section of the 1845 Act, which related to railways. Mr. Cooper mentioned in the course of his evidence that, although he was not prepared to say that his opinion was absolutely correct, and he had not taken Counsel's opinion on the point, yet at the first blush he was under the impression that, by reason of the 2nd Section of the 1845 Act, which made the 4*d.* duty, or rather all the duties payable upon all railways then in existence, and all railways which might be thereafter constructed, and limited that duty to a certain period, by inference that over-rode the Railway Acts, in each of which, with the exception of the Great Northern and Midland, we had a clause protecting the ancient chartered and prescriptive rights of the City. I wanted to explain that it must be perfectly obvious, if one reads the Act in the light of the preamble and also of subsequent Acts (I have copies here which I can let the Committee have), that the Legislature was simply dealing then with the then existing duties, namely, the statutory duties; it was not in any way dealing with the prescriptive rights or chartered rights, because they were then suspended under the Act of 1 & 2 Will. IV., c. 76.

353. I forget exactly what the 1845 Act was; what is the answer of Mr. Cooper's you refer to?—It is on page 21, at Question 285, at the top of the page. The question is, "And are there practically similar clauses in the other Railway Acts?" the answer is, "Substantially, word for word the same." Then Mr. Cooper sets out the Acts, and then he says this, "I may state that I have examined both the Great Northern Railway Act and the Midland Railway Act, and there certainly is no such clause, either expressly or by inference, in either of those Acts." Then he is asked, "Are you aware whether it was discussed in Parliament at all, whether this clause should be omitted?" And his answer is "I cannot find any trace of its having been so. (Q.) "It lapsed?" (A.) "It lapsed in this way; that in 1845 the General Coal Duties Act passed, and there was a general section, Section 2 of that Act, which extended all these duties, referring to them as duties by other Acts now in force, to all railways already constructed or hereafter to be constructed." That is the point upon which I am now addressing the Committee. I do not think that Mr. Cooper desired this Committee to understand that he pledged his professional reputation to the opinion to which I have alluded, but I venture to submit that the proper construction of that section is this: that the Legislature was then dealing with the statutory duties; they were then altering the area which up to that time was an irregular one; they were altering it so as to bring it within 20 miles from the General Post Office; and in making that as it were

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Mr. CRAWFORD.

[Continued.]

were an area clause, naturally it was worded in that way, but it could not possibly have been dealing with the chartered rights which were then in abeyance by the Act of 1 & 2 Will. IV. c. 76, which is expressly referred to in the 1st Section of the Act of 1845, and which section contains these important words: "and all the provisions, regulations, clauses, matters, and things in the said first-mentioned Act contained, to take effect at the end of the term of seven years therein mentioned, or at any other time or times, shall take effect in the same manner to all intents and purposes as if the 5th day of July 1862 had been inserted in the said Act of the first and second years of the reign of King William the Fourth, instead of the said term of seven years." So that, to put the matter very shortly, what I say is the proper and fair interpretation of these statutes is this: that you have to look at the original statute of 1 & 2 Will. IV. c. 76, and you have to substitute for the date therein mentioned, namely, the 31st December 1838, the 5th of July 1889, up to which time the statutory duties were allowed to be continued. The moment that the 5th July comes, then under the provisions of the original Act the rights revive; and it is perfectly clear, if you take the London and North Western Act, upon which Mr. Cooper relies, you will see that they expressly quote: "and it was thereby provided that at the end of the said term of seven years" (I am reading now from Section 230 of the 3 Will. IV. c. 36, which is the London and North Western Railway Act, and this is the saving clause of the rights of the corporation): "and also, if at any earlier period the said duties of 1 s. 1 d. per ton should cease to be payable as aforesaid, the said mayor and commonalty and citizens should be entitled to the said duty of 1 s. 3 d. per ton, as if the said Act now in recital had not been made," so that by reference to that you see at once that what the Legislature meant was this: the moment the time has expired during which we are continuing the statutory duties, then we go back to the original Act under which your ancient rights are suspended, and you are to revert to your original position.

354. That Act from which you have been reading was an Act of 1833?—Yes.

355. That was the Act for the London and Birmingham Railway?—Yes.

356. Mr. *Lawson*.] I do not follow you; I do not understand that you are saying more than that when the statutory duties expire the chartered rights revive?—Mr. Cooper says there is a doubt whether those rights would revive in respect of the railways. I say most emphatically that they would revive in respect of the railways.

357. What chartered rights were there in respect of railway or canal-borne coal?—It is not a question of chartered rights, but of chartered rights extended by Statute to canals, and subsequently to railways.

358. What chartered rights were there?—The ancient chartered right, as increased by Statute to 1 s. 3 d. You may not be aware that formerly no coal was allowed to be brought otherwise than by vessel. Then when canals came to be introduced, there was a prohibitory clause put in not allowing canals to bring coals; then subsequently they were allowed to bring up to 50,000 tons, but paying a duty of 1 s. 3 d.; then when the railway Acts came in, they put in similar clauses as they had put into the canal Acts; and then came the Statute of 1 & 2 Will. IV., when the Corporation (and it was done with the consent of the Corporation) consented to their ancient rights being suspended. Then that Act expressly says: at the end of the statutory period your ancient rights shall revive.

359. How could there be an ancient right to a duty on coal brought by railway?—Under the Act itself. The London and North Western Act, by the clause I have referred to, expressly says that the duty shall extend to railways in the same way as it has been made to extend to canals.

360. *Chairman*.] You mean this: that by Statute the ancient rights were extended from sea-borne coal also to railways; first to canals and then to railways?—That is so.

361. But then that is a statutory extension, not an ancient right by Charter?—A statutory extension of an ancient right.

362. Mr. *Lawson*.] You say that the chartered rights were 1 s. 3 d.; how can you show us that the dues levied by Charter amounted to 1 s. 3 d.; surely the

1 *d.* was levied under the Act of William and Mary?—Under the Act of William and Mary there was to be what is known as a perpetual duty of 4 *d.* over and above what had hitherto been charged in respect of the ancient metage; then there were the two sums of 6 *d.* and 1 *d.*, which brought it up to 1 *s.* 3 *d.*

363. *Chairman.*] I think you are mixing it up a little. You have certain chartered rights and you have certain statutory rights?—Yes.

364. Now the 6 *d.* and the additional 4 *d.* were given to you by the Statute of William and Mary?—Yes, that is so.

365. Not by ancient Charter?—No, that is so. But then if you look at the Act of 1 & 2 Will. IV. c. 76, you will find there that they are dealing both with the ancient chartered rights and also the statutory right, or rather, I should have said, the chartered right extended by Statute to canals; I refer to the 56th Section of the Act.

366. I think the first thing gives you a statutory right over and above your ancient right?—That is so; the ancient metage.

367. And then the 6 *d.* was again a statutory thing that came in at the same time?—Yes, that is so.

368. *Mr. Lawson.*] The first Act that referred to coal brought by canal was in 1805, I think?—Yes, that is the first one.

369. And up to that time coal had been prohibited from being brought by canal within 20 miles of London?—That is so.

370. I do not understand how you contend that the 1 *s.* 3 *d.* was entirely a chartered right?—I am contending for it, not as a chartered right, but as a chartered right extended by Statutes to canals. Perhaps I can make it plainer if I say, both Statute and chartered rights, but whether one or the other, undoubtedly by the Act 1 *s.* 3 *d.* was payable in respect of coal brought by the canal; and then when railways came to be introduced, there were clauses such as I mentioned in the London and North Western Act, specifically stating that whereas there was a charge of 1 *s.* 3 *d.* upon canals, there should be a similar charge upon railways, subject to that charge being reduced by the Act 1 & 2 Will. IV., c. 76, to 1 *s.* 1 *d.* I am merely contending this: that the 2nd clause of the Act of 1845 does not override the London and North Western Act, but is simply dealing with the statutory charges of 4 *d.*, 8 *d.*, and 1 *d.*, and that on the 5th of July of the present year all those ancient rights and all those rights mentioned in the Railway Acts would revive in the same way as the prescriptive and chartered rights.

371. *Mr. Baumann.*] We ought to have the Act of King George the Fourth, intituled “An Act for granting duties of Customs,” by which a duty of 1 *s.* 3 *d.* was granted. (*Mr. Cooper produced it, and handed it to Mr. Baumann.*)

372. *Chairman.*] Have you copies of the Charters here?—Yes.

373. *Sir Richard Temple.*] I believe you have had them translated?—Yes, I have.

374. *Chairman.*] Are you of opinion that under any of the Acts, supposing the duty expires on the 5th of July of this year, you would have any claim whatever upon the Great Northern and upon the Midland Railway Companies?—Not directly; but by reason of those railways having extensive running powers over other railways, on a large quantity of coal, undoubtedly, we should get duty.

375. That is to say, if they ran over other railways?—Yes, and they must necessarily do so.

376. *Mr. Lawson.*] If you were able to obtain it all, you mean?—Well, I am quite prepared to contest the point in a court of law.

377. *Chairman.*] From what you have answered just now, you are clearly of opinion that you have a legal claim upon railways, supposing that the Bill now before the House becomes law?—Not quite so. I say that the suspended rights have not been cut down by the 2nd section of the Act of 1845.

378. And that there is nothing as yet in the clauses of the Bill as drawn which would prevent the liability of the railways?—Yes; as the Bill is drawn, of course, it sweeps away everything; it deprives us of everything.

379. You

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379. You think that the clause as it now stands is sufficient to deprive you of any legal claim you may have on the railways?—At the present moment the Bill as drawn is so fully worded that it would sweep away everything we have.

380. But supposing no legislation took place, do you believe that, in spite of the discontinuance of the dues on the 5th of July, you would have a legal claim on the railways?—Clearly that was the intention of Parliament that we should have our rights; they were simply suspended; and if you look at the Report of the Committee of 1830 you will find that what was done was done with the consent of the Corporation. The Corporation told the Committee over and over again, that on the expiration of the Coal Duties Act their ancient rights would revive, and that they attached a value to those ancient rights.

381. Do you recollect how many of the Acts, including the Act of 1831, and after 1831, expressly reserved the rights of the Corporation?—They reserved them in this way; what they do is that when they extend the period, they say that the original Act of 1 & 2 William IV., c. 76, shall be read as if another date had been substituted for the date there to be found. Therefore, clearly by that the rights are protected.

382. There were some of the Acts where the reservations are in express terms?—There were one or two later Acts where the reservation was in express terms, I think, as you suggest, but whether that be so or not, it is perfectly clear that under all the Continuance Acts care has been taken to protect our ancient rights.

383. How was it that you did not get the obligations imposed in the Great Northern and Midland Railway Acts?—I can only suppose that it must have been an unfortunate lapse on the part of some one. I cannot imagine why it was, unless it may have been that they thought that the duty would be got by virtue of those railways having running powers over other railways that were answerable.

384. I mean there was no specific bargain in the cases of those Acts?—Not that I am aware of.

385. Sir *Stafford Northcote*.] Can you tell me what the dates of the Great Northern and Midland Acts were?—1846 was the Great Northern, and 1863 was the Midland.

386. Mr. *Lawson*.] It was in both cases after the general Act of 1845?—Yes.

387. And, therefore, that clause may have been purposely omitted on that account?—I do not say that at all.

388. It may have been?—It may have been; but I do not think so. If you read the clause itself in the light of the Preamble, and if you also read the Act of 1861, I think you must come to this as the only conclusion, that the Legislature was simply dealing with those statutory duties imposed by the Act of 1 & 2 William IV.

389. Sir *Bernhard Samuelson*.] Is it not a wide contention that because one railway has running powers over another railway, therefore it assumes all the obligations of that other railway?—Except this; that the railway must know what our statutory rights are and what our ancient rights are; the law would assume so; and therefore if, for the convenience of the railway, it chooses to exercise its running powers over other lines, it must meet any obligations that are consistent with running powers.

390. Mr. *Lawson*.] Does it not strike you as rather curious that whilst the City got this clause put into every Railway Act before the Act of 1845, in the two Acts which followed the Act of 1845, it was omitted, as you allege, by carelessness on the part of the promoters?—I do not say that. I do not make any complaint against anybody. I do not know enough of the circumstances to justify my doing so.

391. Is not the more natural explanation that it was purposely omitted by the Committee?—I am quite certain of this: that anyone who framed that Act could not have had in contemplation the idea that they were going to abolish all the ancient rights of the Corporation, both upon canals and upon railways. If you look at the whole of the section you will see the anomaly; it is really an area section.

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392. *Chairman*.]

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392. *Chairman.*] But as a fact they do not exist there?—As a matter of fact they do not.

393. *Sir Stafford Northcote.*] Is there any record of any discussion having taken place in Committee on either of these Acts as to the propriety of introducing a clause?—I have not been able to come across any.

394. *Mr. Lawson.*] Have you any record?—The record would not be in my office, but in the office of the Remembrancer, who is the Parliamentary Agent of the Corporation; but I am not aware of any, and I think Mr. Cooper said the same thing, that he had made search and had not been able to find any record.

395. *Mr. Baumann.*] Do you contend that the private railway Acts of the railways you have mentioned extend your ancient chartered rights, and make them statutory rights?—Weil, not exactly that they make them statutory rights; it is a confirmation by Statute undoubtedly.

396. But is there anything in these private railway Acts which confirms your ancient chartered and prescriptive rights?—It confirms them in express words.

397. I cannot find it in this London and North Western Act?—You find that whereas we have certain rights, and those rights would be evaded if that provision was not introduced into that Statute, therefore they introduce the provision.

398. But the rights mentioned in this Statute are rights given by the Act of George IV., entitled “An Act for granting Duties of Customs,” by which a duty of 1 s. 3 d. per ton was granted; it was not a chartered right or prescriptive right, but a statutory right?—It refers also to canals further on, if my memory serves me rightly.

399. It refers to canals, but it says nothing about chartered rights; Section 230 of the Act is: “And whereas by an Act passed in the sixth year of the reign of his late Majesty King George IV., entitled an Act for granting duties of customs, a duty of 1 s. 3 d. the ton was granted on coals, culm, and cinders, brought by the Grand Junction or Paddington Canals”?—Yes: but you have to read that in the light of the two Statutes, first the one which prohibited any coal coming by canal.

400. “And whereas the said duties would be evaded if coals, culm, and cinders could be brought to or near London by means of the said railway without payment thereof.” What said duty would be evaded?—One shilling and threepence.

401. Granted by George IV.:—Yes.

402. That is not a chartered or prescriptive right?—Perfectly true; I have not said that it is a chartered right; I say it is a chartered right, extended, as it were, to railways by Statute.

403. It is not a chartered right?—Whether it be a chartered right or a statutory right, my contention is the same, that the second section of the Act of 1845 does not cut down the section which protects that right.

404. Let us assume that; but that does not prove that you have anything in any railway Act which confirms by Statute your chartered or prescriptive right; all you have in these Railway Bills is a confirmation of certain duties granted by the Act of George IV., of 1 s. 3 d.?—I do not want any better confirmation of our ancient chartered and prescriptive rights than that of the Act of 1 & 2 William IV.; that is quite sufficient title for me; and that was after the matter had been investigated by the Committee of 1830; and the Committee then said, with the consent of the Corporation, that those ancient rights were to remain in abeyance, but the 1 s. 1 d. was to be collected in the manner pointed out in the Act.

405. *Mr. Lawson.*] Does it not confuse this Committee to be told that these chartered rights extended to canals and railways?—I am replying to a suggestion that we should not be able to collect on railways and canals by reason of this provision in the Act of 1845, and I say we should.

406. *Mr. Baumann.*] You have not taken the opinion of counsel as to whether you have got any right to levy duty on railway-borne coal?—No; the opinion simply is that all our rights revive; all of them.

407. You have not taken the opinion of counsel on that particular point?—Certainly not. I should not have troubled counsel on the matter; because, to my

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[Continued.]

my mind, it is so clear; and I think that Mr. Cooper said he had not troubled counsel upon the subject of the railways.

408. Mr. *Lawson*.] He said he was clear that the rights did not extend to railways or canals?—I think you will find that Mr. Cooper distinctly says that he is alive to the arguments which might be used in the opposite direction.

409. I wish to ask you, is it not the custom for the City to take the opinion of counsel on these legal points which concern so intimately its own interests?—Not unless there is likely to be litigation.

410. Did you not know that there was likely to be litigation?—No, I did not, and I do not know it even now. I do not think the railways would seek to litigate with us, or that the trade would, if you ask me.

411. Did you not think that it would be an advantage for this Committee to have counsel's opinion on the point?—Certainly I did not think it would be any advantage. So far as counsel's opinion is concerned, we obtained counsel's opinion simply for the benefit of some of the members of the London County Council who doubted my opinion; and counsel confirmed my opinion.

412. In what way?—By saying that all our rights revived.

413. Where is that opinion?—It is here (*producing it*); it is the opinion of Mr. Lumley Smith, *q.c.*, and Mr. E. H. Pollard.

414. Will you read it out?—"We are of opinion that the effect of the Act

1 & 2 Vict. c. 101; 8 & 9 Vict. c. 101;
14 & 15 Vict. c. 146; 24 & 25 Vict. c. 42;
26 & 27 Vict. c. 46; 31 Vict. c. 17.

1 & 2 Will. IV., c. 76, with the various subsequent Acts (enumerated in margin), continuing with some variations its provisions, is that that Act must be read as if the 5th July 1889 had

been originally mentioned in it as the ultimate date to which the statutory suspension of the rights and powers of the Corporation of London as to the metage and weighing charges on coals, to which they were entitled, on the date when the Act passed (5th October 1831), could be extended; and that the provisions of Clause 61, and to some extent of Clause 65 of that Act as to the reviver in full force of the said rights of the Corporation upon the cesser of the statutory duties imposed during the suspense period will be operative and enforceable over the area and to the extent to which they were enforceable on the date of that Act (5 October 1831)."

415. That is to say, the chartered rights; all through, when they talk of rights, they refer to chartered rights?—No; they refer to the rights mentioned in that Act 1 & 2 Will. IV. c. 76.

416. Do not you think you had better read this section, or shall I put it to you?—Section 60 sets out our prescriptive and chartered rights and suspends them; then Section 61 revives those rights at the period named, and then Section 64 refers to the question of 1 *s.* 1 *d.* instead of 1 *s.* 3 *d.* to be levied on canals, and then Section 65 provides that the 1 *s.* 1 *d.* shall cease to be payable after seven years, and the 1 *s.* 3 *d.* a ton shall be resumed.

417. It refers all through to ships, boats, or vessels using canals or a wharf bank, or shore on either side?—And then come the railway Acts.

418. Where are the preceding railway Acts mentioned in this section?—There were none that I am aware of.

419. There were the Canal Acts?—Yes; the Canal Acts are expressly mentioned in Section 64 of that Act: "And whereas by an Act passed in the sixth year of the reign of His late Majesty King George the Fourth, intituled an Act for granting Duties of Customs, a duty of one shilling and three pence the ton is granted on coals, culm, and cinders brought by the Grand Junction or Paddington Canals nearer to London than the stone or post at or near the north-east point in Grove Park, in the county of Hertford," and so on; and so it recites the right.

420. That is expressly treated as on a different footing from the chartered rights of the sea-borne coal; it occurs in a different section; it is not classed with it?—You will see that Section 65 says this: "Provided always, nevertheless, and be it further enacted, That at the end of the said term of seven years, and also if at any earlier period, the said duties of one shilling and one penny per ton shall cease to be payable as aforesaid, the said mayor and commonalty and citizens shall thereafter be entitled to the said duty of one shilling and three-pence per ton, and that in as full, ample, and beneficial a manner to all intents

and purposes as if this Act had not been made." Then if you follow it up, by the London and North Western Act, which recites all that and says that those duties would be evaded if that clause were not put in to protect those rights, I say that Section 2 of the Act of 1845 does not interfere with those suspended rights—

Chairman.] We wanted your opinion on that question; that is a question much more for a court of law than for ourselves.

421. *Sir Richard Temple.*] There are two questions that I would like to put to you: Might it not be argued on behalf of the City that unless Parliament had considered the chartered rights as existing in respect to coal brought in by railway and canal, they would not have enacted all the various Statutes giving those rights?—Certainly; and, moreover, nothing would have been easier when framing that section of the Act of 1845 than to have gone on to repeal all those previous Acts. Because, if you look at the last section of the London and North Western Act, you will find that that is to be treated in all respects as a public Act, and therefore it is of the same force as that other Act.

422. Beside this presumable belief in the existence of this prescriptive right, what other conceivable reason had Parliament for enacting these Statutes?—I am afraid I cannot answer what the reason of Parliament was.

423. You have not quite understood the question; besides this presumable belief, what other conceivable reason could there have been for Parliament enacting those Statutes?—I cannot understand any reason, when Parliament through its various Committees had been told over and over again that these rights remained in abeyance, and that they would be enforced at the proper time, why if it was desired to deprive the Corporation of those rights, Parliament should not have done so. I say, most distinctly and emphatically, it never could have been the intention of Parliament. It was a distinct bargain with the Corporation, and they have all through had distinct notice that we looked upon these rights as of value.

424. What other reason could there have been for Parliament enacting these Statutes?—I cannot imagine any other reason.

425. My question, therefore, is, might it not be fairly argued on behalf of the City that there was a reasonable expectation of the continuance of the enactment of these dues, inasmuch as Parliament had gone on enacting them for so many years?—There always has been a reasonable expectation of the continuance, and I may say that a previous Remembrancer, Mr. Corrie, in giving evidence before one of the Committees, expressly said that he claimed on the part of the Corporation that they had a right to come and ask for continuance, having regard to the fact that they always had their ancient rights in suspense.

426. Did not the enactment and re-enactment from time to time of these dues afford ground for such expectations?—I think so personally.

427. Might not that expectation have reasonably operated upon the minds of those who lent the money for the Holborn Embankment in 1864?—The Holborn Valley bondholders you mean?

428. Yes. Might not that expectation have operated upon the minds of those who lent the money about the year 1864, I think it was, for the Holborn Valley Improvement?—No doubt the Holborn Valley bondholders had regard to the continuance of the coal duties as their security, because the various Acts specifically appropriated the coal duty.

429. No; my question has regard to the expectation of the continuance of the enactment. Might not those who lent the money in 1864 have reasonably anticipated that Parliament would go on re-enacting these dues, and might not that expectation have operated upon their minds when they lent the money?—It may have done so; but may I also be allowed to answer your question in this way, that those bondholders could never have supposed that Parliament would take away from them part of their security, and I regard as part of the security these ancient rights suspended; they could never have supposed that they would be swept away without due regard to their rights.

430. *Mr. Lawson.*] You have stated that the bondholders under the Holborn Viaduct Act, who lent money for the purpose of the Holborn Valley Improve-
ments,

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ments anticipated a Parliamentary renewal of the dues beyond July the 5th of this year?—I do not say they anticipated it; I say that they might have anticipated it.

431. Are you not aware of the series of letters written by different Chancellors of the Exchequer, from Sir Stafford Northcote in 1875 downwards, intimating that there would be no Parliamentary renewal of the dues?—Perfectly; but those letters have always been coupled with this, that if the opinion of the metropolis was that there should be a renewal, then they would lend their aid to secure a renewal. I say most distinctly that the opinion of the metropolis is in favour of a renewal.

432. Can you quote any such passage in Sir Stafford Northcote's letter, or in any of the letters written to the Metropolitan Board of Works and the City Corporation by the several Chancellors of the Exchequer?—I think that those letters passed long before I became connected with the Corporation. So far as my personal knowledge goes, I have always understood that the Government would consider themselves bound by the opinion of the metropolis; and I say, most emphatically, that the opinion of the metropolis is in favour of the continuance of the duty.

433. Have we not had an emphatic expression of opinion to the contrary by the body which represents the metropolis?—I do not recognise the County Council as representing the metropolis on this question.

434. Was there not in the Act of 1845 a special application of a penny to the particular purpose of a coal market, and the implied application of the rest of the duties, with the exception of the 4*d.* which the City claim upon sea-borne coal, to different metropolitan improvements, or City improvements, as the case may be?—Metropolitan improvements, I think it was then.

435. Was it not the case that these dues were renewed by Parliament from time to time for the purpose of metropolitan or City improvements?—Not always from time to time; because, so far as the City's fourpence is concerned, for a very long period the City did what it liked with it. It was the City who took the step of coming to Parliament, and said, "We propose to make certain improvements; give us statutory powers, and we will use this money towards them."

436. *Chairman.*] Was the London Bridge Approaches Act the first time when Parliament specifically appropriated how the 4*d.* was to be used?—I think it was so. The Chamberlain has given evidence on that point, and he can speak with greater certainty than I can on it.

437. Now, upon the Bridge House Estates, do you wish to state the relation of the Bridge House Estates to the general corporation property?—I wish to say that the Bridge House Estates are a distinct trust, recognised as a trust by statute, and that no proportion of those estates, or the revenues of them, could be applied towards liquidating an ordinary debt of the Corporation.

438. Do they form part at all of the security upon which the creditors lent you money for the Holborn Viaduct Improvement?—No; the creditors lent their money in connection with those improvements, first of all, upon the coal duty as specially appropriated to them by Parliament, and upon the general revenues of the Corporation; and those revenues consist, as the Chamberlain has told you, of real and personal property, and I regard as being part of the revenues these suspended rights.

439. Do you mean that the Bridge House Estates are in no respect responsible for those debts?—No; it is a distinct trust. For instance, if you look at the recent legislation in connection with the Tower Bridge, you will find it most distinctly stated as a distinct trust, and there is a collateral security given on the revenues of the Corporation.

440. *Mr. Lawson.*] Was it a distinct trust at the time of the first Act being obtained for the Holborn Valley Improvements?—It has been a distinct trust ever since the twelfth century, I think.

441. And you say it is not included in the general estates of the Corporation?—No, it is a distinct trust, recognised by Parliament as such.

442. Where?—In various Acts.

443. Before 1885?—Certainly. I could not tell you off-hand the various
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Statutes ; but in connection with the rebuilding of London Bridge, for instance ; and there was the Blackfriars Bridge long before 1885.

444. Mr. *Baumann.*] Have you the Tower Bridge Act here ?—I have.

445. Will you let me look at it ?—(*It was handed in.*) It is Section 2 of the Act of 1885. This is the interpretation section : “The Bridge House Estate shall mean the messuages, lands, tenements, and hereditaments situate in the City of London, and in the counties of Middlesex, Surrey, Kent, and Essex, of or to which the Mayor and Commonalty and Citizens are seised or entitled in trust for the maintenance and support of London Bridge, Blackfriars Bridge, and Southwark Bridge.” Then if you look at the borrowing powers you see again there they are kept perfectly distinct.

446. *Chairman.*] It is in fact a trust estate :—A distinct trust apart from the general estates and revenues of the Corporation.

447. Now as to the form of bonds, will you give us your views with regard to the bonds ?—As to the form of bonds, you will see by the various Acts they may be in such form as the Corporation may consider most desirable, but they are all headed by words specifying the particular Statute under which the money is borrowed ; and then, on reference to that Statute, you find special appropriation of this particular duty to the amount raised.

448. Mr. *Baumann.*] All those Acts, the Metropolitan Board of Works Money Acts ?—No ; Holborn Valley Improvement Acts.

449. Mr. *Lawson.*] The duty they mortgaged then was the statutory duty which expires on July the 5th ?—And the revenues of the Corporation, part of those revenues being these ancient rights.

450. But the estates and revenues of the Corporation are mortgaged every day as a contingent security, are they not ?—Yes.

451. *Chairman.*] Your contention is that, in addition to the statutory dues which terminate on the 5th of July of this year, the creditors believed that they had the security of your ancient chartered rights ?—In the evidence given by the City Chamberlain and Remembrancer, when those Acts were obtained, this was always stated in the answers to the questions put to them with regard to these ancient rights. Therefore it was matter of notoriety that we claimed them as of value, and that they were simply suspended.

452. Sir *Bernhard Samuelson.*] Evidence given, you mean, when you were seeking to borrow money in connection with improvements ?—Yes.

453. *Chairman.*] You desire to make some explanation about the present appropriation of the 4 *d.* duty, which by the Act of 1868 is continued to the last year ?—It was only in connection with one answer given by the City Chamberlain. I think the Chamberlain hardly gathered the question put to him. It was a question as to the appropriation of the 4 *d.* duty, in answer to which the Chamberlain said that, so far as the duties for the year ending the 5th of July are concerned, they have been appropriated to other purposes, that is to say, the freeing of the bridges. I only want to point out to the Committee that that is not so. If the Committee will kindly look at the Act of 1868, they will find that the 4 *d.* duty by Section 2 is specially appropriated to the Holborn Viaduct bondholders.

454. Mr. *Lawson.*] Is that contested by anyone ?—I only wanted to remove any erroneous impression which might exist in your mind in consequence of the answer given to you.

455. I understood that they were appropriated till the 5th of July for those improvements ?—That is all I wanted to make clear.

456. Sir *Bernhard Samuelson.*] Was not the question to which you allude one as to freeing the bridges on the Thames ?—It was so ; and the duties appropriated for the freeing of the bridges on the Thames are the duties which are referred to in Section 5 of the Act of 1868. Section 2 appropriates the 4 *d.* duty to the Holborn Valley bondholders ; the remaining duties are dealt with by Section 5.

457. What was the error of the City Chamberlain ?—The answer given might give rise to the impression that the whole of the duties for the year ending the 5th of July were specially appropriated by this Act to the freeing of the bridges ; I wanted to point out the distinction between the two sections.

458. Mr.

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458. Mr. Lawson.] I want to ask you one or two questions with respect to the Charters of the City. First of all, I believe you hold that the first Charter merely confirmed a prescriptive right, do you not?—Yes, it confirmed what we call the prescriptive right of metage of 4 *d.*

459. Is it explained how it was that when an application was made for confirmation of prescriptive right in the previous reign it was not obtained?—No, I do not know anything of that.

460. It was applied for in 1547, and it was not confirmed?—Yes; but there were proceedings taken in the nature of a *quo warranto* to test the right of the Corporation, and the Attorney General of the day gave up the claim with a view to removing any doubt; then came the first Charter you referred to, clearly confirming the prescriptive right.

461. The difference between the two Charters of James is, as we know, that one had reference to a duty of 4 *d.* per chaldron for metage, and the other to a duty of 8 *d.* per ton for weighthage?—There is no mention of 4 *d.*

462. Would you say that the right to weigh was confined to those kinds of coal which it was then customary to weigh, which were only the hard Scotch and Welsh coal?—If I remember rightly, the coal is mentioned in the second Charter.

463. Yes; would you be able, at the present time, to weigh any other than those kinds of coal under the Charter?—I am not prepared to say, personally, because I have no experience about coal.

464. Of course coal can now only be sold legally by weight?—Yes, sold; but that does not interfere with our weighing.

465. You are not prepared to say that you could weigh any other kinds of coal than those originally contemplated in the Charter of James I.?—I can only reply that we take our stand simply upon the wording of that Charter, whatever it allows us to do.

466. It did not depend in those days upon the option of the seller, but upon the nature of the goods; therefore you would not have the right to weigh any coal except that Welsh and Scotch coal which was specially set down for that purpose?—I must again answer that we should only have a right to do that which the Charter expressly gives us a power to do. The Charter speaks for itself, and I cannot go further than that.

467. Is it not true that according to the Charter all coal had to be brought to a wharf?—No; if I remember rightly they used to sell from ships. But please do not take my evidence as that of an expert upon the subject of the system of weighing coals.

468. You are an expert with regard to the Charters?—If you wish to know what was the system you shall have it from an expert witness here.

469. What I want to get at from you is this: I want to find whether, with the limitations and difficulties which would arise, the right of levying the duty upon seaborne coal would confer any considerable benefit to the City?—I am not prepared to say that there would be such difficulty. The result of my recent inquiries leads me to suppose that there would not be that difficulty which you anticipate. I think it would be a source of revenue to the City; and if you look at the case which Mr. Cooper submitted to Sir Horace Davey, it expressly said that it would be a source of considerable revenue to the City.

470. I ask you, not whether it would be a source of revenue, but whether it would be any calculable amount?—I think it would be a considerable amount. I cannot pledge myself to that; but the result of my inquiries enables me to give you that as my opinion.

[The Witness is directed to withdraw.]

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MR. BENJAMIN SCOTT, recalled; and further Examined.

471. *Chairman.*] I WANT to ask you whether the Corporation has considered any proposal which it would consider fair and equitable, if there was any extension of the coal dues for the discharge of the debt?—The matter has been considered by the committee of the Corporation, and considered very carefully, but I am not authorised now to say what their idea was. There are gentlemen present associated with me whom I should have to consult; the chairman of the Finance Committee, to wit. I think I have stated generally that the Corporation would not regard this as a private proprietor would regard it, but would regard it as a public question, and would be prepared to make concessions to a large extent, considering that they conceive themselves to be entitled, and their creditors to be entitled, to a sum of about 750,000 *l.*, on the cession of this particular form of duty.

472. Will you explain that?—I mean the sum of 744,000 *l.* odd.

473. The 744,000 *l.* was the sum borrowed upon two securities?—Upon two securities.

474. The one being the coal dues and the other being the general property of the Corporation?—Yes.

475. Do you mean to say that you consider that 744,000 *l.* an equitable claim upon the coal dues alone?—We consider it a legal as well as an equitable claim upon any rights which the Corporation have which survive after the 5th of July. We have no legal right after that to the present duty of 4 *d.*, because that ceases, unless Parliament were prepared to extend it; but we have a legal and equitable right, as we have explained again and again, to rights which will revive, for what they may be worth. The Corporation are of opinion, as I have stated, that those rights being put in execution at present, without considerable assistance from Parliament, would be exercised inconveniently to the trade of London and to the public of London, whom the Corporation of London represent to a very great extent, and, therefore, they are prepared to look at the matter as a public question, and not altogether as if it were a question between Parliament and a private proprietor. I can only go thus far, without permission, to state that the idea of the committee of the Corporation is, that the matter might be fairly divided between Parliament, or, say, the public and the Corporation, and that 375,000 *l.* arrived at in some way would be a fair settlement of the question; that is, that the public should take half the cost of the money which was expended for the public for a great public metropolitan improvement, and that the Corporation should bear the other half of it.

476. Do I understand, then, that what you think would be the only thing reasonable is that two years' proceeds of the coal duty should be allocated?—No; I do not put it in that way.

477. One hundred and seventy thousand pounds is about the amount of the annual proceeds; the net produce of duty, after allowing drawback, was, in 1887, 143,780 *l.*, and it would be 160,000 *l.* in 1888 probably, or 170,000 *l.* Twice that 170,000 *l.* would be 340,000 *l.* Do I understand you to say that you consider that two years' proceeds would be what you consider an equitable claim?—No, I have not gone so far as to state that. I was stating that the opinion of the committee of the Corporation, so far as I am authorised at this moment to put it before this Committee, was that the half of 750,000 *l.*, namely, 375,000 *l.*, was about the sum which should be provided by Parliament in some way. But I was going to add that a portion of that money, a considerable portion of that money, might be provided by Parliament without extending the duties at all.

478. How?—If you will allow me to make a statement here, I will do so. The City Solicitor was asked a question just now with respect to an answer which I gave; I presume it is as to my answer to Question 218, on page 15: "Does this account contain the whole of your assets?" (I submitted certain accounts.) I stated "Yes, the whole." I was then giving evidence as to the fourpence coal duty

[Continued.]

duty up to the year to the end of which that 4 d. coal duty was chargeable for these improvements ; but I am bound to state, as the financial officer of the Kew and other Bridges Committee (the joint committee of the Board of Works and the Corporation did me the honour of appointing me to be their financial officer, to give them advice on this point, and, therefore, I am very well acquainted with their financial position), that, quite irrespective of our claim of 4 d. up to the 5th of July, there will be a surplus of 100,000 *l.*, I put it certainly at 100,000 *l.*, on the proceeds of the dues of the year 1888-89 which were allocated to free the Upper Thames Bridges. The duties have increased in the last 20 years since those charges were made ; they have so increased that there will undoubtedly be, in my mind, a surplus of 100,000 *l.*, we may safely put it at 100,000 *l.*. There is a question at this very moment being considered by that committee, who have had before them the solicitor of the Bank of England, to consult with him about it, as to whom that surplus would belong to. The Corporation contend that it belongs to them in connection with this duty. I could not put it into account, because it is at present a question that may be in litigation. The Corporation so contend ; the Corporation have taken very satisfactory legal opinions, and I am ordered as Chamberlain not to hand over the 4 d. coal duty, provided there is sufficient money coming to the Joint Bridges Committee to meet all their claims. And, therefore, here is a question which is likely to go into litigation of about 100,000 *l.* The Corporation claim that money as connected with the 4 d. coal duty.

479. And is it the County Council which is the other claimant?—They have no claim. Parliament would have it; because there are two clauses in the Act, on one of which we rely, and on one of which Parliament would rely; and both of those clauses say that if there should be any surplus it is to be at the disposal of Parliament. That is the whole question, as to whether it would be at the disposal of Parliament, or whether the Legislature has not, by subsequent Acts, given it to the Corporation in connection with the Holborn Valley Improvements. Therefore, what I have to tell the Committee is, that I have no doubt whatever that there will be a surplus of 100,000 £. at the disposal of Parliament, if the law courts should not previously decide that it belongs to the Corporation of London; but at this moment Parliament, no doubt, with the consent of the Corporation, would have power to deal with that.

480. Then supposing it went to the Corporation, it would be used for the Holborn Valley Improvement?—Simply for that purpose. If I put the Act of 1868 before you, you will see, and there are many other Acts which will show, that Parliament treated the duties separately. The Act of the 31st Victoria (1868), c. 17, by the second section provided, “The net proceeds of the duty of 4 *d.*, part of the duty of 12 *d.* on coal, culm, and cinders, continued by this Act, shall, during the continuance thereof, be applied by the Mayor, Aldermen, and Commons of the City of London, as follows, so far as the same are not already appropriated by Act of Parliament, in the first instance in completing the Holborn Valley Viaduct, new streets and improvements under the Holborn Valley Improvement Act, 1864, and the Holborn Valley Improvement (Additional Works) Act, 1867, and other improvements connected therewith, and afterwards the said duty of 4 *d.* shall be applied by the said Corporation of London towards or in aid of such public improvement or improvements in or adjacent to the City of London as Parliament may hereafter sanction.” I do not put that as the whole case, because there are several Acts and subsequent Acts bearing on that point; and I do not appear here to contend that point, because there are difficulties, no question about it; but I merely mention it to say that there is a disputed fund, which will be 100,000 *l.* or thereabouts, which will be either the property of the Corporation for Holborn Valley purposes, or will be at the disposal of Parliament.

481. But let me carry you on; supposing that surplus is available, if that 100,000 *l.* is deducted from the 744,000 *l.*, that would leave 644,000 *l.* still to be provided. The present debts upon the Holborn Viaduct Improvement are 744,768 *l.*; take off the 768 *l.*, to bring it to round figures, and deduct 100,000 *l.*; that leaves 644,000 *l.*, that would still be due?—It would.

482. Dividing that into two, as you have said that you thought Parliament
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should in some way find one-half of it, 322,000 *l.* would have to be found, according to your view?—Yes.

483. Sir *Bernhard Samuelson*.] I thought what was in your mind was this: that having first divided the amount by two and found the sum of 350,000 *l.*, then towards that half you would consider that the 100,000 *l.* you have spoken of might be a contribution?—I have not really expressed any opinion upon that point, but I have said this: that I thought that the debt of 750,000 *l.*, in round figures, should be divided into two halves, that would be two sums of 375,000 *l.* Then I mentioned to the Committee, merely as information, as leaving it in their hands (we do not presume to dictate upon this matter to the Committee: we must leave it to Parliament), that that 100,000 *l.* might, by arrangement with the Corporation, form part of that money. That would leave 275,000 *l.* There is another matter which I ought to mention to the Committee, and which might be a matter in dispute, or about which there might be doubt. By the Act of 14 Vict. c. 146, the drawback on coals exported and taken beyond the limits was given of the whole amount, 1 *s.* 1 *d.*, with the exception of 1 *d.*, which 1 *d.* was to be retained for the expenses of working the drawback. The matter has to be watched all round the boundary to know what coals go out as well as come in. There are 240 points at which this watching takes place, and at which accounts are taken, by the railroads and other persons; and Parliament allowed, when 1 *s.* 1 *d.* was claimed, that the Corporation should pay back as the treasurers, twelve pence, and retain in their hands 1 *d.* towards the expenses. I will read the words of the clause which are operative, the 46th clause: "That for the purpose of defraying the costs and expenses of carrying into execution this Act, so far as relates to the drawback on coals allowed by the said Acts, or any of them, or this Act, it shall be lawful for the Mayor, Commonalty, and Citizens to retain out of the rates and duties by the said Acts, or any of them, authorised to be levied and raised, the sum of one penny for every ton of coals brought within the London district, whether sea-borne or inland; upon which a drawback shall have been allowed in respect thereof." Then it goes on to show how that sum is to be distributed into thirteenths, leaving in the hands of the Corporation (they retain it) one penny upon each claim of drawback. The Corporation has retained that since the time of the passing of that Act, and have paid all the expenses; but it has been found that a surplus existed in past years, and that surplus has been carefully put on one side; and a question might arise on that (we wish to bring every question before you), because there is nothing in the Act as to any surplus.

484. How much does the surplus amount to?—At the present moment it amounts to 59,087 *l.* This, we have been advised by our officers, belongs to the Corporation, and they have regarded it as a fund which would be applicable to paying pensions to all the parties employed on the collection of the duties on coals and on the drawback on the coals, in case the duties come to an end; they have always regarded it as such; they have always kept it as a separate fund, and published it separately; but it is not absolutely certain whether, without the consent of Parliament, the Corporation would be entitled to retain it. That is a question which might arise; but I mention it because, if there is to be any settlement, it is extremely desirable that all matters should be settled, that there should be nothing remaining in the shape of a duty after a specific period, and therefore I am authorised to bring it before the Committee.

485. Mr. *Lawson*.] You told us in your former evidence that the Coal Exchange was built out of the proceeds of a penny, dating from the Act of 1803?—Yes.

486. I believe there is a profit on that Coal Exchange, is there not?—There is a small profit.

487. Something like 700 *l.* a year?—I do not think it is so much as that; but there is a small profit on the offices that are let off.

488. Is that applied in any way to this debt?—No, that is kept as a separate trust by the Corporation under the Act of Parliament.

489. Then it is not used for the liquidation of this debt?—No, and it is not used; and any surplus has only recently accrued. The offices are better let
now

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Mr. B. SCOTT.

[Continued.]

now than they formerly were, and that surplus may possibly remain ; but that is quite a separate trust account under a separate Act of Parliament.

490. But at the present time there is a substantial surplus ?—There is at the present moment.

491. And that Coal Exchange was built out of the proceeds of the coal dues ?—That was so.

492. *Chairman.*] That is as far as you are authorised to state the views of the Corporation ?—Yes, that is as far as I could go ; that they consider that something like half of that amount of 750,000 *l.* should be made over to them for the cessation of every right connected with this matter, and that 159,000 *l.*, say 160,000 *l.*, might be considered as applicable by Parliament, with the consent of the Corporation, to the reduction of that sum ; beyond that I am not authorised to go.

493. The sum which you have just mentioned might go to the reduction of the half which you think Parliament ought to provide ?—Yes. If any other question should arise, I should have to consult the Chairman of the Finance Committee and the officers of the Corporation who are present.

494. *Mr. Hargreaves Brown.*] I understand that that fund which you just now named would be derived from the profit on the drawback upon the exportation of coal ; is it in any way specially allocated to pensions ?—No, it is not. There is an Act passed since then which gives the right of pension to the officers of the coal market for collection, and so on ; but that right ceases with the duty ; they are to be pensioned out of the duties. The Corporation did regard this equitably as a fund which they might allocate for pensions, if it belonged to them ; but if any question were raised as a matter of law, they would not do so.

495. What I mean is this : supposing that this fund were allocated to another purpose altogether by the wisdom of Parliament, would those persons who are now employed lose any claim to pensions ?—No, they would not. I ought to state that any amount which the Corporation receives by way of settlement they understand as being charged with pensions, so that Parliament should not be charged with anything further. If the offices were all abolished, the pensions are estimated to amount to 2,000 *l.* a year.

496. Those bridges which you mentioned, in speaking of the Kew and other Bridges Committee, have nothing to do with the Bridge House Estate ?—Nothing whatever.

497. *Mr. Baumann.*] I understand that you think that Parliament or the public should take upon their shoulders half this debt of the Holborn Valley Improvement ?—That is the opinion of the Corporation.

498. Supposing Parliament was to grant the City a renewal of their right to levy a duty on coal for a certain period, would you consider that a discharge by Parliament of its obligation ?—Unquestionably, in whatever way Parliament might find the half of that money, we should consider it a discharge of every claim in reference to coals.

499. On that point I should like to know if you could tell us now what the net produce of the duty on seaborne coal is ; you could not tell us yesterday, but in order to form a judgment we ought to know that ?—The clerk and registrar of the coal market can answer that better than I can.

500. *Sir Stafford Northcote*] With regard to this question of pensions, Section 4 of this Act of 1868 recites that, “No such pension shall extend beyond the time to which such duties are continued” ?—Yes.

501. And then with regard to the question of this 100,000 *l.* surplus, upon which you anticipate that some dispute might possibly arise between Parliament and the Corporation, Section 5 of this same Act states that after the freeing of certain bridges, “should there being any surplus remaining, the same shall be applied as Parliament may hereafter direct” ?—Yes.

502. And it is upon that, I presume, that you think Parliament might base its claim to lay hands upon this 100,000 *l.* ?—That is one of the points ; but then I must tell you that Parliament has subsequently to that dealt with that subject of the Holborn Valley twice. It is a very difficult question irrespective of that clause.

503. This clause was what was in your mind ?—That is one of the difficulties that was in my mind.

504. Sir *Bernhard Samuelson.*] But no other allocation has been made by Parliament of the fund?—No, no other allocation. If it is not applicable to the Corporation under Section 2, it is unquestionably at the disposal of Parliament.

The Witness is directed to withdraw.

MR. JAMES BENJAMIN SCOTT, called in; and Examined.

505. *Chairman.*] You are Registrar of the Coal Market?—Yes, I am.

506. Mr. *Baumann.*] I want you to tell us the net produce of the 4 *d.* duty on seaborne coal; the Chamberlain told us yesterday that the gross produce of the 4 *d.* duty on seaborne coal alone was 78,385 *l.*; I want you to tell us the net produce of that 4 *d.* duty on seaborne coal?—The net produce is arrived at after deducting the drawbacks. The drawbacks amounted to about 25,000 *l.* on the seaborne coal. I have brought up my export list for last year, which would perhaps help the Committee (*handing in the same*). If you take 25,000 *l.* off 78,385 *l.* then you will get the net 4 *d.* duty on seaborne coal; that is 53,385 *l.*

507. *Chairman.*] Does that include taking off the cost of administration?—No; that would bring it to 50,000 *l.*, speaking roughly.

508. Mr. *Baumann.*] You need not answer this question unless you like. If the duty is levied only on seaborne coal, a great deal of coal that now comes by sea will go by rail, will it not?—I think that is most probable.

509. Therefore this 53,000 *l.* might be very much less?—It might be. I might add that a duty which only affected one branch of the trade would act, of course, very prejudicially to the trade.

510. Sir *Richard Temple.*] What is your official title?—Clerk and Registrar of the Coal Market.

The Witness is directed to withdraw.

MR. BENJAMIN SCOTT, re-called; and further Examined.

115. Mr. *Lawson.*] You said that you had obtained a legal opinion as to this claim of the Kew Bridges Joint Committee, and that it was held that the City had the right to the whole surplus of 100,000 *l.*?—Yes.

512. Are you aware that a legal opinion has been taken by the other side to the contrary effect?—I have heard so in conversation. In that case it would belong to Parliament.

513. Your suggestion is that we should recommend Parliament to apply this sum to the liquidation of your debt; is that so?—My recommendation is that that, and all other open questions of that kind, should be settled by Parliament; that would save the public the extension of the duty for a certain period.

514. Are you aware that it is the wish of the Joint Committee that Parliament should settle the allocation of that money?—I am not aware of that, because that point has not been reached yet. We are consulting to-day the solicitor to the Bank of England on this very point, and taking counsel's opinion on it; but it is quite agreed that if it does not belong to the 4 *d.* coal duty account it will belong to Parliament, assuming that their own claims are met, which I have every reason to believe that they will be to the utmost farthing.

515. You do not claim that the surplus of the duty is mortgaged at present to the Holborn Valley bondholders?—That is just what the City Solicitor and the City Remembrancer consider. Some of the bondholders have given me a notice accordingly. I ought to state that it is the intention of the Corporation, if the duty should be extended for any period, to give a drawback of the whole amount on exportation, for the convenience of the trade.

The Witness is directed to withdraw.

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MR. CHARLES BEADLE, called in ; and Examined.

516. *Chairman.*] WHAT are you ?—I am a wharfinger at Erith, on the extreme outskirts of the present City dues limit.

517. You export coal beyond the limits of the coal dues ?—We unload from 400,000 to 500,000 tons, and about from 150,000 to 200,000 tons of that goes out of the district, and is consumed out of the district.

518. And upon that you obtain how much drawback ?—We obtain 1 s. out of the 1 s. 1 d. we pay.

519. One penny being reserved for the expenses ?—Yes.

520. You heard what the Chamberlain said just now in the proposal that he was authorised to make on the part of the City ; that if they got any extension of the dues they would allow a drawback of the whole ?—That clears up one point that I wished to come before the Committee for ; that we should like the whole of the amount returned, because we consider that the fact of having to pay the dues and wait two months for the money, besides taking a great deal of trouble to get it, though the City use us very well, is a tax we ought not to suffer.

521. You mean that, supposing that there was any continuation for a limited time of the 4 d., you want the whole of the 4 d. without any deduction ?—We do, without any deduction.

522. Even if that time were limited to from one year to two years ?—Well, it is quite important to us ; it handicaps us to that amount.

523. What would be the result to you if the old rights of the City were revived and they had only a clear legal right to a tax upon seaborne coal ?—It would be a very serious blow to all those who are in the seaborne coal trade ; because the competition between railways and the conveyance by steamer is now so keen that very few pence turn the scale.

524. You think that it would handicap your seaborne coal trade very much as compared with the railways ?—The railway companies have been taking our trade in spite of all we can do for the last 20 years ; and being handicapped to the extent of 4 d., or whatever it might be, would be very serious indeed to us.

525. *Sir Bernhard Samuelson.*] A large proportion of the trade would go, I suppose ?—No doubt about it

526. *Chairman.*] And, therefore, in your opinion, whatever is done should be done so as not to handicap a particular portion of the trade ?—I think it would be most unfair.

527. *Mr. Lawson*] Are you in favour of continuing the coal tax ?—Personally, no.

528. *Chairman.*] You desire to add something ?—There was one point that I made a memorandum of. The old Charters and the previous Acts extended very much beyond the present district ; they extended to a place called Yantlett, which is some 15 or 16 miles below the present district ; and in any rearrangement of the matter that would be of vital importance, because very many of the very large consumers are just outside the present district.

The Witness is directed to withdraw.

MR. JAMES BENJAMIN SCOTT, recalled ; and further Examined.

529. *Chairman.*] HAVE you anything further to say ?—I have been consulting with Mr. Graham King, the Chairman of the Finance Committee, and the officers, and the chairman is prepared to make a statement of what he believes would be accepted by the Corporation.

The Witness is directed to withdraw.

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MR. GRAHAM KING, called in ; and Examined.

530. *Chairman.*] WHAT position do you hold in the Corporation?—I am Chairman of the Coal, Corn, and Finance Committee.

531. Did you hear the evidence given by the City Chamberlain to-day?—I did.

532. Do you agree with that evidence?—No, I do not agree with the figures that he gave the Committee; he made a slight mistake, which I think I can rectify.

533. Will you give the figures that you think he should have given?—The figures as I took them out are these: the total debt 745,000 *l.*, less the sum of 160,000 *l.*; the 100,000 *l.* in dispute under the Kew and other Bridges Act, and the 60,000 *l.* for drawback; that leaves 585,000 *l.* It is the one-half of that, namely, 292,500 *l.*, that the Corporation think they would be disposed to accept in settlement of the Holborn Valley debt, and in settlement of their chartered rights.

534. The difference between you and the City Chamberlain is, that he deducted the 100,000 *l.* from the half which Parliament would have to deal with?—Yes, instead of deducting it from the original amount. It is the half of what is left after deducting the 160,000 *l.* He misunderstood us a little bit. That is equal to two years of the fourpence, calculating it over the existing area, and drawbacks to be allowed.

535. *Mr. Lawson.*] Or one year at eightpence?—Or one year at eightpence. Drawbacks to be allowed; and this amount to be applied to the payment of principal and interest on the Holborn Valley Improvement.

536. *Mr. Baumann.*] Two years of fourpence upon all coal?—On all coal.

537. *Mr. Lawson.*] Which do you prefer, one year of eightpence, or two years of fourpence?—It is perfectly immaterial to the Corporation. There will be some slight question of pensions, which the Corporation, of course, will take upon themselves.

538. *Sir Richard Temple.*] The two years at fourpence is to be upon all coals, you say?—Yes.

539. Including railway, canal, and seaborne?—All coal now paying duty over the present existing area.

540. But that means canal, and railroad, and seaborne coal?—Yes.

541. *Chairman.*] But supposing that Parliament takes a different view from what you do about that 100,000 *l.*, and says that it belongs to Parliament to determine that 100,000 *l.*, would it not be a fair deduction to do it as the Chamberlain did, and take it off the one-half of the total amount?—I do not think so, because it would make a difference of over 50,000 *l.* in our settlement.

542. But I am putting it as a question of justice. Supposing that your view was at all entertained by the Committee, that you should receive half the debt, and then Parliament says, "How is that to be met?" and it finds that it has 100,000 *l.* at its disposal by an Act of Parliament, then it would deduct that 100,000 *l.* from the portion of the debt that Parliament had to meet?—I do not think it would make very much difference if Parliament takes half the whole of the debt.

543. There are two views of that matter?—Yes, there are two views of that; but the idea is that we should have 292,000 *l.* off the two years.

544. *Sir Richard Temple.*] You make out that one year at 8 *d.* would give 292,000 *l.*?—It is as near as possible that.

545. *Chairman.*] Your net coal dues for this last year will amount to 170,000 *l.*?—£.143,000, I think it is.

546. The net amount for the first six months was 85,000 *l.*?—Yes; but that is the winter six months; the summer six months is a very different matter altogether. We reckon that the total coal duty is 143,000 *l.* from the 4 *d.* due; consequently the 8 *d.* due would give 286,000 *l.*

547. *Mr. Lawson.*] As Chairman of the Finance Committee, could you tell us whether you have made any estimate as to what you would receive in the

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Mr. KING.

[Continued.]

second six months of this year from the exercise of the chartered right?—We have made no estimate.

548. Sir *Richard Temple*.] The 143,000 *l.* is based on the sum of 4 *d.*?—Yes, that is the 4 *d.* duty for the twelve months.

549. Sir *Bernhard Samuelson*.] Apart from all this complication of figures, do not you think it would be a politic act, and a graceful act on the part of the Corporation, if they were to propose that the whole matter should be settled by the renewal of these dues, say to the end of next year, 1890?—The 1 *s.* 1 *d.* due, do you mean.

550. No; the 4 *d.* due?—It does not matter very much to the Corporation how it is done, provided that we can arrive at the figure which we consider would be an equitable arrangement as between the Corporation and the public.

551. Mr. *Lawson*.] As a matter of fact you only receive 4 *d.*?—Of course we do.

552. Sir *Bernhard Samuelson*.] Perhaps you will now answer my question; would it not be a politic and graceful Act on the part of the Corporation to make a proposal to this Committee to terminate the matter by a fourpenny duty up to the end of the year 1890?—That would be 18 months. As Chairman of the Finance Committee, I do not think that the Corporation could afford it.

553. *Chairman*.] But supposing that Parliament says it does not believe in your claim at all, and that the Bill shall proceed without any equitable adjustment, because that equitable adjustment is not clear to all; would it not be advisable on your part to consider what would be a moderate claim which might tempt Parliament to consider your proposal favourably?—We consider that our offer is a moderate offer. Of course we are prepared to consider anything that the Committee wish.

554. Mr. *Lawson*.] May I ask you whether any agreement was come to between you and the promoters of the Bill originally in regard to this?—None whatever.

The Witness is directed to withdraw.

Monday, 1st July 1889.

MEMBERS PRESENT :

Mr. Baumann.
Mr. Hargreaves Brown.
Mr. Lawson.

Sir Stafford Northcote.
Sir Lyon Playfair.
Sir Richard Temple.

THE RIGHT HONOURABLE SIR LYON PLAYFAIR,
IN THE CHAIR.

MR. JOSEPH F. B. FIRTH (a Member of the House), called in ; and
Examined.

555. *Chairman.*] WHAT is your official position in the County Council?—I am the Deputy Chairman of the London County Council.

556. Do you appear here in that capacity, or as a witness with large experience on this subject?—I appear here in a certain sense in the capacity of Deputy Chairman of the London County Council, but inasmuch as nearly the whole of the evidence which I shall have to put before the Committee is of a technical kind that has not been, of course, submitted to any public authority, I apprehend that it would be more in the capacity of having given some attention to, and having some knowledge of this question, that I should give evidence.

557. Has not the County Council some inability to appear before this Committee?—It is unable to appear by counsel, and it is unable to expend money in the preparation even of a case of so much importance as affecting the people it represents as this is. I may say that last year I endeavoured, on the Local Government Bill, to obtain such a power, but it was defeated by a majority of eight. I should say, I think, further with respect to the County Council, that I am perfectly certain, from an intimate knowledge of the Council, that it is not merely willing but anxious to do perfect justice both to the Corporation of London and to every other public body and private person; but, upon the other hand, it is bound to remember that it represents, and is bound to defend the interests of the consumers who may be affected by any adverse legislation. Therefore they stand here to-day, I apprehend, anxious that right and justice should be done, but that it should be done equally, without the slightest bias against themselves.

558. What would be the position of the Council, supposing that this Bill before the Committee did not pass into law, and that the powers of levying these coal taxes dropped on the 5th of July?—Our position in respect of this Bill is practically this: We looked upon it, I, at any rate, looked upon it, with a mild interest; I considered it a Bill of little or no importance, and (as I stated in the House at the time) I think there was no necessity for introducing it; and having regard to the questions that it raised, I used the expression that I thought it would have been better to "let sleeping dogs lie." We do not view with any sort of apprehension anything that may take place in the absence of legislation on Friday next; and therefore a Bill proposing to abolish these claims was a Bill that we did not object to. But if it is suggested that there is to be given anything in the way of compensation for the abolition of these claims, then we say at once (and I am perfectly satisfied that in expressing that opinion I am expressing an opinion with which most of my colleagues agree), that the Bill had better drop, that we should prefer to have the Bill dropped.

559. Do you mean that you would prefer that the rights of the Corporation should be established, or at all events be considered by a court of law?—Yes. We should take the position which was taken by the Committee of this House in

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Mr. FIRTH, M.P.

[Continued.]

1867 (to which I will draw the attention of the Committee hereafter), a single clause of whose report I will quote as an answer to the question: "Your Committee are of opinion that it will be time enough to consider what course Parliament should adopt on grounds of equity and policy, respecting any claim of the Corporation to metage dues whenever the exact extent and legal nature of the rights, if any" (it is evident that the Chairman of the Committee thought there were none), "of the Corporation to levy such dues are ascertained and defined by the decision of a competent court of justice."

560. You are aware, no doubt, that the Corporation, or the House for the Corporation, have reserved the rights as they existed in various Acts of Parliament?—Yes, I am familiar with all the Acts of Parliament. I may say, however, that the time at my disposal has been extremely short, and this is a matter of a very highly technical character, and whilst I ought not to ask the indulgence of the Committee in any sense, I may point out to them the extreme difficulty of the position in which I appear to give evidence.

561. I know that you have come at great inconvenience to yourself. You are aware that originally the Corporation duties were attached to coal coming into the Port of London?—Yes.

562. Did they originally at all apply to inland coal coming in by other means?—They did not; and perhaps as a matter of convenience, if the Committee would allow me to deal first with the whole question of inland coal, I can clear that out of the way. Down to 1805 coal was prohibited from coming by any canal into London. There were, of course, no railways then. After the Paddington and Grand Junction Canals Act of 1805 (to which I shall allude shortly), there was in subsequent Railway Acts placed a clause which, as I will show, had the effect of placing the railways in exactly the same position as the Paddington and Grand Junction Canals were placed in by the Act of 1805. I have looked into the railway question, and as it is not in a complete and accurate form before the Committee, perhaps I may tell them how it stands. The clause exists in the originating Act of four railway companies: the Great Eastern, the Great Western, the South Eastern, and the London and South Western.

563. Perhaps you will state it shortly; because we have had evidence on all this part of the case?—Yes; but I should like to point out to the Committee the very difficult question of law that will arise as to the others upon the effect of saving clauses in subsequent Acts. In the London and North Western, and the London, Brighton, and South Coast, the clause was in the original Acts, but the original Acts have been repealed. For example, the London and North Western originating Act was the London and Birmingham. Or in the London, Tilbury, and Southend, the case is different again; they absorb what was originally the Thames Haven Line, which had the clause, but no other of their lines have the clause. Then there are eight lines in which the clause does not exist.

564. Amongst those being the Midland and the Great Northern Railways?—The Great Northern, the Midland, the Chatham and Dover, the North London, the Metropolitan, the Metropolitan District, the London and Blackwall, and the East London, are the eight lines in which the clause does not exist. Now the first argument that I put forward is this, as one of the arguments upon which is based my observation that whatever could be done in July would practically not affect us. I say that after the 5th July there would be available untaxed coal coming in by railway, which it is admitted upon all hands would not be liable to any taxing clause, adequate for the supply of London; and if that be so then any taxes upon the coal of those consumers given in compensation for the abolition of a right, I should submit would be a disadvantage to those consumers unless it was a right the enforcement of which would be a disadvantage to them.

565. If it was left in that way there would be a general derangement of trade, and a very favoured action to certain individual lines?—Well, I will just show how it would work out. With respect to that proposition, I am quite prepared to deal with it. It would work out in this way: Last year there were delivered by rail 7,619,000 tons; of that 3,875,000 tons, or more than than half, came by the Great Northern and the Midland; practically none came by the Chatham

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and Dover ; I need not deal with that. Therefore, as the case stands, half the coal would be untaxed, one-third nearly of the whole coal supply of London. Now, when it gets into London the case would be this : that it could be distributed by all these railways, the Chatham and Dover, North London, East London, and District Railways, and the London and Blackwall, all over London.

566. That is to say the railways which had no clause ?—Yes ; I say that no clause railways could distribute the coal to every part of London, and that the railways which tap the coal fields, the Midland and the Great Northern, could without the slightest difficulty with their traffic bring in the whole 12,000,000 tons. This Bill, therefore, is a Bill that is introduced in the interest and on the authority only of the owners of the seaborne coal trade ; and even its effect on the seaborne coal trade is by no means certain, because the London, Tilbury, and Southend might tap the whole of that trade at Southend possibly. But that is another and a minor point. Then I should like to deal with their suggestion that it could not pass around London. Take their suggestion in a concrete form ; that the Great Northern bringing coal to London could not send it through any part of London by the London and North Western. That is settled by the Act itself. The clause says, “ upon coal brought into London by the railway in question,” and if it is brought in by some other railway, no case arises upon that point ; it can be distributed when it once gets into London just as may be thought fit. I would say, with respect to the Seaborne Coal Case, further, that this Bill was introduced upon their authority ; that they and the City have always worked together. These clauses were introduced into the railway Acts at the instance of the Corporation, and for the benefit, as they stated, of the seaborne coal trade.

567. But the Bill before us has now passed the second reading in the House? —Yes.

568. After some discussion, in which I think you spoke ?—That is so.

569. Can we go now to the next point ?—I must deal with the question as to repeal. I have merely pointed out that we can get any quantity of coal if this remains as it is.

570. *Sir Stafford Northcote.*] With regard to these lines, the Great Northern and the Midland, I rather understood the City case to be that they did pay the tax indirectly, because there was authority to levy it upon coal going over lines, over which they had running powers ; as a matter of fact, are you aware whether the City do not receive sums in that way from the Great Northern and the Midland ?—The City case as they put it in their answer as I understand it is that when it got into London it could not be distributed by means of their running powers over the North Western because the North Western had the clause ; and I pointed out that it was an untenable argument because the clause says that it shall be applicable to coal brought into London by that railway ; not “ dealt with when brought into London ” by some other railway.

571. *Chairman.*] And then you further expected that no-clause railways could effect the distribution ?—Yes, I did.

572. *Mr. Hargreaves Brown.*] As I understand now the coal that does come over the Great Northern and the Midland does pay a tax ?—It does ; it pays a tax purely by a statute which, it is admitted on all hands, will expire.

573. As a matter of fact, though they have no clause to compel them to pay this tax to the City of London, still the tax is paid ?—They are compelled by the Act of 1845, repeatedly renewed since, to pay ; but it is admitted on all hands that that is now gone. The railway case is gone also, as I contend : having put before you the case of the non-clause railways, the railways that have the clause, as I contend, could bring in coal without being taxed. They depend entirely upon the canal case. Up to 1805, as I said, canals were prohibited from bringing coal to London ; then by 45 Geo. 3, c. 128, the Paddington and Grand Junction Canals, were permitted to bring it for one year ; and they had to charge a sum which was declared by their Act to be as for and in lieu of the duty called Orphans’ Duty, and the other duties payable to the Corporation ; that sum came to 1 s. 3 d. Fourpence was their prescriptive duty, because it was settled that what was then being paid to the City was 6 d. and 4 d. under the

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the Orphans Act, and there was a penny under the Coal Market Act. That being so, it is quite clear that that charge was impressed with the trust which belonged to the Orphans' Duty; and it is admitted very fairly by the Chamberlain that, as regards 6 *d.* and 4 *d.*, they were trust matters.

574. Mr. Lawson.] Trust matters under Act of Parliament of William and Mary?—Under William and Mary. The case as to those is this (I shall show that they are gone): They were first charged for the Orphans' Fund; then that was succeeded by the London Bridge Approaches Fund and by the Thames Embankment Fund; but at the present time those funds having come to an end there are no funds; there is no appropriation, and there is no *cestui que trust*; and it is admitted, as I say, by the Chamberlain that these were always a trust. I am sorry to see that in the case that was submitted to Sir Horace Davey, on which I have a memorandum, it was not quite correctly put before him in several points; and therefore his view as to the effect of the statement that the 4 *d.* duty of William and Mary, was to be perpetual, was not based upon a case that was sufficiently put before him. It does state in the Orphans' Act of William and Mary that the 4 *d.* duty shall be perpetual. It is admitted by the Chamberlain that that is a trust

575. Chairman.] The additional 4 *d.* duty?—Yes. But still although it is submitted by him to be a trust, it is put in their memorandum as if it had substantial value. It has none. It is stated in the Act of William and Mary (the 5th & 6th Will. and Mary, c. 10), that the 4 *d.* shall be perpetual in order to pay the interest upon the Orphans' Fund; and there is also stated to be 8,000 *l.* a-year payable perpetually by the City for the same purpose; but where I complain of the case put before Sir Horace Davey, not putting the case fully, is this: that the Act contemplating a duty and a fund which should be perpetual, the Act of 21 Geo. 2, c. 49, changed the character of the fund altogether, and allowed the principal to be paid off; and the consequence necessarily was that the 4 *d.* perpetual duty would cease when the fund was paid off; and it has been paid off; that is the argument. Upon that I may point out that the 8,000 *l.* which was stated also to be perpetually paid by the City for the same purpose in the Orphans Act, and which was afterwards increased to 11,500 *l.*, has ceased, and the City have taken the advantage of that, and have kept it themselves, and pay it no longer, although the Committee of 1861 recommended that it should be available for Metropolitan purposes.

576. In the Act of William and Mary three sums are mentioned, first, 4 *d.* which the Corporation contend was their own prescriptive 4 *d.*, ratified by the Charters of James; there was then an additional 4 *d.* over and above that; and after that there was 6 *d.*, all of which three sums were to be applied till 1750 for the orphans and other creditors of the City; but they were three distinct sums were they not?—No, that is not quite so, if I may say so. In the first place with respect to the City's 4 *d.*, the City's 4 *d.* is not mentioned as fourpence; there are only two sums that are given by the Act, and those two are stated to be in addition to whatever rights the City has; but it does not say it has a right to 4 *d.*; that has never been said in any statute at any time. It gave these two sums of 6 *d.* and 4 *d.*, but did not deal with the City's 4 *d.* in any way; that remained and was collected by them down to 1831 without being affected by any Statute whatever.

577. Under their old prescriptive rights, or prescriptive and chartered rights?—Yes, that was so.

578. Now what is your opinion about the Act of 1845; do you think that it had any effect upon the clauses of the different Railway Acts?—Yes, a very definite effect. I must draw attention to the fact that the railway clause says, "The like duty as shall be payable from time to time by the Paddington and Grand Junction Canals." Therefore if the canal duty is gone as I have contended it is, then the railway clauses are gone with it. With respect to the question of repeal these clauses were in existence in a certain number of the railway Acts down to 1845; and the reason why they were not renewed after 1845 is extremely plain; I will show that directly; but there is this to be noted: that according to the schedule to that Report of the Coal Committee of 1853 the clause was, as to most of the railways, never put in force; as far as I can

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find, the clause was never put in force. It could not have been put in force in the case of the Great Eastern, because it brought no coal before 1845; it could not be put in force in the London and South Western because it brought no coal before 1845; neither did the South Eastern; and as to the Great Western, it appears that in 1845 there was an account made, settled by arbitration, because it had not kept any account of it, and it was settled at 3,006 tons a year. There are some extremely difficult questions that would arise supposing this clause were existing with respect to the London and North Western, for instance, which absorbed the London and Birmingham, which had the clause; and with respect to the London, Brighton, and South Coast, which absorbed the London and Brighton, which had the clause. There would be a still more difficult question as to the London, Tilbury, and Southend. But with respect to the question of repeal (on which you asked a question), the clause referred to is the 8th & 9th Victoria, chapter 101, section 2. Now that section distinctly recites this clause, I think; yes, it recites the Grand Junction clause, and it recites the other clauses and then varies the area of the coal area. It says: "Be it enacted that" certain dues "shall be and are hereby imposed, and authorised to be levied;" it levies them over a greater distance; and from that time no suggestion has been made until to-day, so far as I know: I find nothing about it in the other reports; that these railway clauses would revive. A prescription may revive, if it has been saved, but a provision in a Railway Act which is practically, as I say it is practically, repealed, cannot revive unless there is some provision for its statutory revival.

579. What do you mean by "statutory revival;" do you mean that this overrides the others?—Yes; I mean that this statute does not in words say that the clauses shall be repealed. On the other hand, if it had been contended or contemplated that they should revive, it would have been put in the statute; at least, that is the contention. Now it is admitted, that they are repealed. I think I am bound to take the admission of the City when made by a man of authority; (there is only one man of authority in the City on this question), that is by Mr. Scott himself; Mr. Scott himself says they are repealed. He says it, and of course, with the knowledge which the City people had at the time, all these reports are of infinitely more value than evidence given now, for this reason: that they were so much nearer the time when these questions were vital City questions. I am quoting from the Report of 1861, Question 49. No. 48 leads up to it: "Previously to the Statute, were there a number of private Railway Acts which defined the points at which the duties should be collected coming otherwise than by the Thames into London?"—(A.) As each railway company sought for powers to make railroads into London, clauses were introduced, protecting the right of the Government and the Corporation with respect to those duties arising from the collection at certain points upon those railroads." He says elsewhere that those were introduced by the Corporation itself. "(Q.) Can you refer the Committee to those Acts of Parliament; have you a list of them?"—(A.) No; but I may say that they are all repealed now by the Acts which I have just quoted, namely, 8 & 9 Vict. c. 101, and the 14 Vict. c. 146"; and the 14 Vict. c. 146 does strengthen the contention if it were necessary as to this matter, because it recites what the regulation is with respect to the collection of coal, and practically endorses the Act of 1845.

580. But when you say that the City admits it, you mean that the City Chamberlain admits it, because, have you read the evidence of the City Solicitor given before this Committee?—Yes, I have; the City Solicitor has only been appointed a year or two; whereas the Chamberlain, and his father before him, have been intimate with this question for many years.

581. As a fact, would it be right to say that the Corporation admit it when one officer of the Corporation was not examined upon that subject before the Committee, and when the City lawyer distinctly said that they considered that they had a claim?—Yes, I am afraid the misunderstanding arises from the omission of the letter "d"; the City admitted it, I intended to say, in 1861; I do not say they admit it to-day.

582. It is suggested to me that you should read the next following questions and

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and answers. "(Q.) Are those Acts permanently repealed" is Mr. Ayrton's next question. "(A.) I suppose not permanently repealed; but that is rather a legal point which I have not considered, and there has been no occasion to consider it."

583. Is not Question 51 in the following terms: "You are not prepared to say that these Railway Acts have been absolutely repealed?—(A.) I have not considered the point, and it will not arise till this Act expires in 1862." Therefore, at all events, it was with a qualification?—He says above, "I may say that they are all repealed."

584. But with reference to these two others?—With respect to what you asked me about the City Solicitor, he says, about counsel on that point, "I should not have troubled counsel on the matter, because to my mind it is so clear; and I think that Mr. Cooper said he had not troubled counsel upon the subject of the railways"; from which it appears that Mr. Cooper thought it so clear, but in Question 293 Mr. Cooper says, "I am strongly disposed to think (I do not say so absolutely) that by implication these private Acts with their special clauses on this special matter were repealed by the General Act of 1845." There is a point upon that question of corroboration which I think is important.

585. Perhaps as you have quoted Mr. Cooper, we had better have what Mr. Cooper exactly said: Question No. 334 is, "Also in addition that the rate which they may have to a duty on coal coming by railway is only dependent on the very legal question whether one Act of Parliament is repealed by another Act of Parliament—(A.) Yes. (Q.) Therefore they would have, in a moral point of view, some right—(A.) I should not dispute that proposition." I see he calls it "a slight moral claim" in Answer 310, which seems to be a moderate form of expression to justify 475,000 *l*.

586. Now I think you have finished about the railways:—Except that I should like to say what there is in the way of corroboration. The question naturally arises why the clause was not inserted for instance in the 9 & 10 Vict. constituting the Great Northern. The reason I submit is extremely plain. That was that the Corporation having inserted these clauses before, they considered that the Act of 1845 had overridden the others. The suggestion which the City Solicitor made, that it had been allowed to "lapse," could not be made by any one who had any knowledge or experience of City affairs; they would not allow any claim to lapse. Their reason was that the Act of 1845 superseded that. Clearly the case therefore stands in this way: that the railway clause is dependent upon the Canal Act of 1805; if that goes, all the railway clauses go in any case. And that is gone; at least I suggest that it is gone, as I must not be taken to dogmatise, particularly in my representative position. The clauses are all repealed by the Act of 1845; and therefore all the railways would be free on Friday. That is shown from the Acts themselves, and from corroboration incidentally by omission from other Acts. And there is further no statutory provision for the revival, and it could not revive without it. Lastly, if all the clauses are in force and could arise, it is immaterial to us, because we should have a full supply of coal available from the Great Northern Railway and the Midland, and free distribution throughout London. Therefore there is no case in which under any circumstances they could be fairly given compensation.

587. But you would consider, would you not, that it would be an extreme derangement of trade to allow any rights to remain when coal might come by certain railways, and not by others?—I do not think that they could enforce their rights; I do not think any derangement of trade would ensue, either from the prescriptive claim or the other.

588. But that would be a question for the law to determine?—We are quite willing, and I venture to suggest that it must be so, in regard to these enormously complicated points, that we should take the course suggested by the City Solicitor. He said he should like to go to law, or have it tested by a court of law. That is our case; we are quite willing; we wish to do perfect justice, but we suggest that we are entitled to have whatever the law gives us.

589. Now as to the Statutory Dues, those under the Orphans Act, under
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William and Mary's Act, of course the 9 *d.* absolutely goes under all circumstances on the 5th of July?—The whole of the statutory dues go; the whole 1 *s.* 1 *d.* goes, because it was imposed by the Act of 1 & 2 Will. IV., chapter 76, extended since by other Acts. Admittedly that goes. Their case is that they revive their old prescriptive right; and I should not have said anything about other statutory dues except for the fact that I find it put in the City memorandum; it is extremely unfortunate that there are these vague suggestions, because it compels me to meet them.

590. What City memorandum do you allude to?—It is the case which the City put before the Committee in the first instance when their first witness was being examined.

591. Mr. *Hargreaves Brown.*] Of course you understand that your view of the railway question does not exactly correspond with what Mr. Crawford, the City Solicitor, said; but now, speaking as a ratepayer of the City of London, for instance, do you look with equanimity upon the possibility of a great law suit arising upon all these complicated claims?—I do not; I do not think anything would be done.

592. But the City have certain rights that they might try at law?—I should doubt it.

593. You cannot bind the City not to try them at law?—No, I cannot; but the anxiety of the City to enter into litigation is scarcely a thing which we ought to be taxed in order to repress.

594. But, supposing that they had rights that they were bound to defend as representing the City, would you look upon an enormous litigation with complacency, in a ratepayer's point of view?—It would not be litigation against us, and would not affect the ratepayer.

595. It would be litigation against certain railway companies?—It would not affect the London ratepayers.

596. It would affect the City ratepayer?—No; because it would be paid out of the City estate, and it has no power to levy a rate in aid of that.

597. It would affect the City fund?—Of course, they could not bring an action without paying for it out of their estate.

598. In a lawyer's point of view, it might be a difficult matter?—It does not affect us.

599. Mr. *Lawson.*] In your opinion, ought Parliament to interfere merely to protect any Corporation from the chance of litigation?—I think Parliament ought to have a control over the City fund, which it has not; therefore, they can do what they please with it.

600. *Chairman.*] Now as to this memorandum; you want to make some correction of the statutory dues?—No, not a correction. In this memorandum they state something with respect to the statutory dues of William and Mary; I have pointed out already how the case stands with respect to those statutory dues; but if the views of the City Solicitor are to be put against those of Mr. Scott, or of this memorandum, I must just draw attention to what Mr. Scott said about them. He admitted that the 6 *d.* and 4 *d.* were trust. That is what we say; they were first trust for certain funds; and, although one of them was declared to be perpetual, yet the fund which was also declared to be perpetual having come to an end, if that comes to an end there is no re-appropriation, and there are no *cestuis que trustent*.

601. I think the City agree that the 6 *d.* and 4 *d.* have nothing to do with it?—It is put in here in the memorandum.

602. But I think in the Minutes of Evidence, in the evidence of the Chamberlain he is clear upon that point?—Exactly so. If the Committee will let me take the City Chamberlain, and let me deal with this evidence, as being the City's evidence, I am quite willing; but if I am to have the City Solicitor put upon me, whose knowledge of the subject is very recent, I must deal with it.

603. So far as we have received evidence, I do not recollect any other upon that subject; but the City Chamberlain was quite clear upon the 6 *d.* and 4 *d.*, that that was a trust which expired, so far as the City was concerned, when the trust was fulfilled?—Yes; but it will be in the recollection of the Committee

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mittee that they put in the opinion of Sir Horace Davey, stated, as I say, upon an imperfect recital of the facts.

604. Mr. *Hargreaves Brown*.] It was Mr. Cooper who put it in?—That is immaterial; it is before the Committee. Answer 2, in Sir Horace Davey's opinion, is this: "Under the Act of 5 & 6 William and Mary, the Corporation was entitled to 4 *d.* per chaldron metage, 'over and above what was then paid for metage.' It does not appear whether there was any additional ancient customary charge. I think that the 4 *d.* would be leviable in perpetuity, without any reference to services rendered on the allegation that the Corporation was ready and willing to measure." Well, that is because it was not pointed out to Sir Horace Davey that this word "perpetual" had been altered, as regarded the very fund on which this was impressed, or else he would not have given that suggestion for a moment.

605. Mr. *Lawson*.] As a matter of fact, I believe, it is not contended by anybody that this fund is really perpetual?—No, but this 4 *d.* is mixed up with the statutory 4 *d.* in this statement, till Sir Horace Davey would not well know where he was. The Chamberlain says, in Answer 17, "All this was trust matter: first the Corporation were appointed trustees in reference to the orphans and other creditors on the closing of the Exchequer by Charles II." That is technically incorrect. The Orphans Act was not passed till 1694, whereas the Exchequer was closed in 1672; the closing of the Exchequer was not a matter that had anything to do with it, as was shown completely by the Committee of 1861, and the City had no funds in the Exchequer; bonds were given for all the funds in the Exchequer; and I think it is due to a lapse of memory on the part of Mr. Scott that he should have introduced that. With respect to the Orphans Act, if I understand clearly that, all claim of any kind arising out of that Statute have gone out of consideration, I have nothing more to say about it.

606. *Chairman*.] I am not authorised to tell you what is in the Committee's mind upon the subject?—Then I must go on and complete the case as it stands.

607. Would you go on to say what you wish?—I was going to say this, that with respect to this 6 *d.* and 4 *d.* they are admitted to be trust; and the funds to which they were applied, and the funds which have taken their place, that is to say, the Orphans' Fund, finally wound up in 1834, the London Bridge Approaches Fund which took its place, and the Thames Embankment Fund, which followed, have all come to an end; and therefore there are no funds, and there is no statutory allocation and there are no *cestuis que trustent*.

608. But are there still some debts upon the Holborn Valley Estate which were incurred under Acts of Parliament with the limited coal dues attached?—Yes; that is an entirely separate matter in my judgment. I might point out that the City were bound under the Act of William and Mary, the Orphans' Act, to pay 8,000 *l.* a year towards these funds, and they have ceased paying it. The circumstances under which the Act was passed, which are set out in the Parliamentary History, page 903, were such as would probably have led to its repeal at any time if anyone had moved for it.

609. Then there was a further change effected by 21 Geo. 2, was there not?—Yes. The 21 of Geo. 2; there being at that time some surplus in hand, provided that the principal might be paid off which had never been provided before, and could not have done. The consequence was that the principal gradually being paid off, the perpetual fund came to an end, and the perpetual charge as we submit came to an end also.

610. That was the Orphans' Fund?—Yes. I put in this note which I have upon the effect upon it. In 1861 the Select Committee on Metropolis Local Taxation recommended that the permanent annuity payable by the City of London (11,500 *l.*) in discharge of its own debts (this was *in pari passu* with the 4 *d.*) having been entirely redeemed by taxes levied on the inhabitants of the whole metropolis, the charges which was imposed by Parliament on the City in perpetuity ought to be continued, and applied for the benefit of these inhabitants. But this recommendation was not acted upon, and since 1862 this annual charge, which ought to belong to the whole metropolis in perpetuity,

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has reverted to the private revenue of the Corporation of London. That is all I have to say upon the statutory dues.

611. With regard to the sea-borne coal, have you any remarks to make upon the City rights, or alleged City rights?—Yes. In the first place, with respect to the whole of them, I think it is a matter of extreme doubt which ought at any rate to be submitted to careful judicial inquiry whether they exist at all. Not that I contend that the Charters of James, which are the only authorised documents in which they appear, were not valid and have been acted upon; but because the effect of the Conservancy Act requires to be much more fully considered than it has been. In the case submitted to Sir Horace Davey, I feel that that point is given away as if it were not even arguable; but of course, if it should be held that they were gone altogether, the whole case would be at an end, and if there is any reasonable argument which could be advanced in a court of law in that direction, it would be a very serious thing to continue them till it was settled.

612. Are you referring now to the Conservancy Act?—Yes. I take it that the City has its right of measuring; I term it a right of measuring for the present purpose, and weighing; that is to say, that the Charters were given to it either as incident to the Conservancy of the Thames, or in right of the port, or as an undertaking to do certain work for money received. Now, with respect to the question whether they were incident to the Conservancy of the Thames, I have not had time to ascertain, and it is a very difficult thing to ascertain at all, because Maitland and Griffiths, and the other historians, do not exactly state whether it was or was not incident to the Conservancy of the Thames. If it was, then the dues are gone; I apprehend that there is no doubt about that. In 1591, as Maitland gives it (I believe it was 1596), there was a dispute between the Lord High Admiral as representing the Queen, and as making a claim for the Conservancy of the Thames, and for the measuring of the coal, and the mayor; and that is the reason of the introduction into the Charters of James of the reference to the Admiral, and the interference with the measuring and the conservancy, and they are dealt with as separate matters.

613. And they are the differences that are mentioned in the Charter where it is said that the Charter was brought about in consequence of differences?—Those are the differences. Of course the claim of the Lord High Admiral would be as representing the Queen; and Hale in his book *De Juri Maris*, sets out what the rights of the Crown over a port are; but there is no reason that I have been able to find in the few hours that I have given to this question lately, to show (and the authorities are silent upon it), whether this claim was not really a single one, the Conservancy of the Thames with the measuring attached. But it is not to be denied, of course, for a moment, that the Charter mentions them separately; I do not think that is of very much importance. Then they are mentioned separately in the judgment of *quo warranto*, which was obtained by the Attorney General Coke. I see that the City Chamberlain says that that judgment of *quo warranto* sets out there 4 *d.* as being their right. That is not so; there is no statement as to the amount at all in that.

614. I did not know that it had ever gone to a judgment; I thought the Attorney General abandoned the case; did it ever go to judgment?—Yes, I have it; I will look it out. He confessed it. The judgment was that they had these powers.

615. My impression is (I may be wrong) that the case was abandoned by the Attorney General; that it never went on to judgment?—The form was that he confessed it.

616. Mr. Lawson.] He confessed on behalf of the King that the City had a perfect title?—"The same Attorney does not deny the same, but on behalf of the King he confesses and acknowledges it to be true in all things;" and after mature deliberation it was considered by the Barons that the City of London and their successors may have, receive, enjoy, and use all offices, privileges, liberties, franchises, and so on," which they had had before. But I think upon that there is rather a useful note which I should not have ventured to give in evidence myself, but which Mr. Pulling, who was a man of high authority on these

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these matters, gave before one of these Committees as to what that *quo warranto* amounted to, and the circumstances which then existed; because we must not forget that Coke was the Recorder of the City of London before he was Attorney General; this is what Mr. Pulling said about it. This is from the evidence before the Committee of 1861, Question 3978: "The question of metage has been a good deal discussed. The honourable Chairman may remember that the claim of metage has been very much the subject of Charters and legal dealings. There was a very remarkable dealing with the City title by Lord Coke when he was Attorney General, the question being in James the First's time, whether the City had a right to metage, Lord Coke, who had been Recorder of London, took the course which was most profitable to the City, for he ordered a *quo warranto* to be issued to inquire by what authority they held this title; he was well aware that a Charter could not grant it if it had not existed by custom from time immemorial. It could not exist by prescription, because the Crown could not grant it, the Crown not having it to grant. Lord Coke, most kindly for the City, took the course to benefit them, and issued a *quo warranto*, and immediately after the *quo warranto* was issued, he conferred the great service upon the City of coming in as Attorney General and confessing, on behalf of our Lord the King, that the City had a perfect title. That confession on the part of the Crown appears in Lord Coke's entries, and is repeatedly referred to by him in various works." Upon that question of conservancy I put it in this way. If, as there is a great deal in the way of probability to suggest, the measuring was incident to the Conservancy, then by the 20 & 21 Vict. c. 147, s. 52, which is the Conservancy Act, it is gone beyond recall. I will draw the attention of the Committee to that section if it is necessary. But the second question was whether the City had it in right of the port; now if they had it in right of the port, there is another serious question that would arise under the 136th Section of the Conservancy Act, which says that "all tolls" (this was a toll), "tonnage, port, and harbour dues which have been from time to time by any Act of Parliament or otherwise" (it would come in "otherwise" there) "given and granted to, and been received and taken by, the Major and Commonalty and Citizens, or the Common Council, for the maintenance and improvement of the River Thames, and port of London, and of the navigation thereof, or any part thereof, shall form one fund to be called the Conservancy Fund." That raises a very nice question of law which if it were decided, as I submit it fairly might be, on the one point or the other would put an end to this altogether; that is, the point upon the Conservancy.

617. Mr. Hargreaves Brown.] It was in 1857 that that Act was passed?—Yes.

618. At that time the London rights, whatever they were, were in abeyance, and had remained in abeyance by the Act of 1831?—My view is that although technically there are these reservations in these Acts, the whole scope and intention and understanding of the legislation was that they were altogether gone. I had a long conversation with Mr. Ayrton about it, who was Chairman of the two Committees of 1861 and 1866, and he told me with respect to this last Act that it was thoroughly understood and expected on all hands that every form of the dues would come to an end in 1889. But I will deal with the effect of that legislation, if I may, in a word or two hereafter.

619. Chairman.] Before we go to the 4d. duty have you any remarks to make about the 8d. duty; you refer to the 8d. duty of the second Charter?—It is the third Charter of James, it is incorrectly stated in the evidence as the second Charter, there was a second one dealing with coal which is not of importance. I think I must deal for a moment with the allegation in the memorandum that the Charters have statutory confirmation. They say on the first page of this memorandum, "The chartered rights having been many times confirmed by Acts of Parliament." Upon that, two observations arise. The first is an observation of fact: that in the ordinary meaning of the word "confirming," there is no Act of Parliament that has confirmed any one of them. If they were confirmed in the sense here suggested by an Act of Parliament they would have a Parliamentary enactment, consequently the Parliamentary enactment would be the higher title; the Charters would have gone.

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620. Would you prefer the word "reserve," because they refer to an Act of Parliament?—They refer in the memorandum to the two Acts on which they rely; therefore I will draw your attention to what those Acts do. They refer to the *Quo Warranto* of 1683, and they refer to the Act of 1 & 2 Will. 4. c. 76. With respect to the *Quo Warranto*, the *Quo Warranto* was a judgment given in 1683. The *Quo Warranto* took away from the Corporation the franchise of being a corporation, which, of course, involved the loss of all other franchises and liberties, because there was no *persona* to whom they could attach.

621. That was in the time of Charles II., was it not?—That was in the time of Charles II., in 1683. Therefore all the Charters and all the prescriptive rights were gone, and they remained absolutely gone from 1683 down to the statute of William and Mary, 1 & 2 William and Mary c. 8, which it is suggested is the statute under which they can claim these rights in some sense by statute. Now that is not so. Everybody who knows what the circumstances were under which some of this early legislation of William and Mary was passed, and the anxiety of William to get to the throne and so forth, will read it with interest. I say nothing upon that now; but upon that Act I will say that in the first place it says that the judgment against the City Charter shall be void. It says "in what manner or words soever such judgment was entered is, shall be, and are hereby reversed and nulled and made void to all intents and purposes whatsoever." Then it says that London is to remain a Corporation and enjoy its "rights, gifts, charters, grants, privileges and franchises," and so forth, "which they lawfully had, or had lawful right, title, or interest of in or to at the time of the recording or giving the said judgment." That does not modify or affect one hair's-breadth in the way of extension or confirmation the City's prescription; it just leaves it as it was in 1682. The second is the Act which suspended for the first time the metage, the Act of 1831, the Act of 1 & 2 Will. 4, 3. 76; that is alluded to in their memorandum. Therefore presumably this is what they suggest in some form or other may be relied upon as statutory confirmation. They rely on Section 60; in fact the only section upon which they can only, is Section 60. Section 60 recites these Charters as they stand, and then it says, "Whereas it is expedient for the purposes of this Act that the Lord Mayor of the City of London, and the Mayor and Commonalty and Citizens of of the said City, should not at the present time exercise any right or privilege of weighing or measuring coals, culm, or cinders, to which under or by virtue of the aforesaid Charters and Acts of Parliament, or by prescription or otherwise, he or they is or are or may be entitled." They suggest that that is a statutory confirmation.

622. Mr. Hargreaves Brown.] The next section, Section 61, goes on to state, does it not, that these are only to be held in abeyance; not abolished?—Yes, that is so. That is not quite the point I was dealing with. Section 61 reaffirms what I was saying. It says that after seven years "they shall be entitled to resume, use, exercise, and enjoy all rights of weighing and measuring coals, and other rights and privileges in respect thereof, to which he or they is, are, or may be entitled."

623. Chairman.] At all events you would acknowledge that that is a definite reservation of any rights the City may possess?—Yes.

624. At that time, 1831, Parliament did think that there were duties which the Lord Mayor and City had a right to?—No, I do not think the Statute goes to that extent. It recognises the fact that, under these Charters, the City had exercised them. I have not contested the fact that the Charters were potent things at that time. The argument I raised against them was on the Conservancy Act.

625. But we were upon that 8 *d.* duty?—May I leave the question then of statutory confirmation of a Charter? That is the only point I want to make; that neither of these statutes amounts to a statutory confirmation; and that otherwise the Charter would have merged in it.

626. At all events, you admit that it is a statutory reservation of rights if they exist?—If they exist; that is exactly what I say. The City claim is now reduced to the 8 *d.* and the 4 *d.* I have pointed out how every other form of claim, real or imaginary, made by Mr. Scott, who understands it, or by the memorandum

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memorandum of the City, which introduces other things, is gone; at least what the contention is, is gone. With respect to the 8 *d.* and the 4 *d.*, the 8 *d.* was for weighing only; and there are opinions, which have been expressed, that it might be possible under some circumstances that an 8 *d.* duty could be charged for the weighing of coal, meaning thereby the weighing of any serious quantity of coal coming into the Port of London. But an examination into the Charters and into the facts connected with the case, I submit conclusively disproves such a suggestion. Some coal was sold by weight and some by measure; and the right to weigh given by the third Charter of James I. only applies to certain coal. That Charter sets out the kind of coal to which it applied; but gives it in terms which are not easily reducible to the present time; and therefore it is necessary to show to what it does apply, because this is a claim that cannot be of much value, as I will show the Committee directly. "It was applicable," as Mr. Scott, the Chamberlain, said in 1861, in answer to Question 474, "to Scotch coal." He quoted there a petition of the coal meters in 1692, setting forth that "time out of mind there had been a duty of 4 *d.* per chaldron for metage of sea-coals, and 8 *d.* per ton for weighing of Scotch coals," and he repeatedly points that out, as, for instance, in answer to Question, No. 477, he says, "Those which were then called sea-coal were sold by the chaldron, and those which came from Scotland were those that were sold by weight." I am going to the point that this right to weigh can only attach to those coals to which it was attached, as is perfectly well known, before. Now in answer to Question 559, he asserts the same thing, and he says how much it produced; he said that Scotch coal produced a very inconsiderable amount. In answer to Question 560 he says, "The amount is always very inconsiderable, and I find in 1818 the last voucher was only for 1½ tons; indeed the meters tell me that it came at last to samples of coals sent up as presents from the North, very fine samples of coals weighing a ton a-piece, which could not possibly be measured in a bushel, and it shows that the practice of weighing coals had almost expired before the Act of 1831." He then subsequently states that the total amount for 1826 was 126½ tons. And with respect to the suggestion that the City can put this forward now, probably I should be charged with having used strong language if I said that such a claim would be dishonest if it was put as applicable to anything except Scotch coal. Therefore I will read what Mr. Scott says upon that point at 577: "I may be, perhaps, permitted to state that it would be a very profitable thing to the Corporation if they could claim 8 *d.* on every ton of coals that is weighed at the present time; but it would be a dishonest claim to put forward" (that is an honest word by an honest man in that case), "because we have already stated, and my father gave the same evidence in 1830, that it was a very inconsiderable amount that the metage brought in for weighing. Of course, if we had 8 *d.* a ton, instead of 4 *d.* a chaldron, it would be a very large amount, but I cannot support any such argument with any honesty before the Committee." He repeats it in answer to Question 580; he says "that they did not put forward any claim, and they could not put forward any such claim honourably." Therefore the argument upon that is that as regards the 8 *d.* it could only in any case attach to the coal to which it attached before.

627. Do you know whether the term "Scotch coal" might not have possibly meant all coal from the North?—Oh, dear no; the seaborne coal was Newcastle, and all coal further south.

628. It was a specific term, was it?—Yes. The chief supply of London in 1831 came from that district because there were no railways coming from the North of England.

629. Mr. Lawson.] "Seaborne" really meant Newcastle coal?—Generally, yes.

630. Chairman.] Now you, believing that the 8 *d.* is not what you have called an "honest claim"—?—Not what the City Chamberlain called an honest claim.

631. You believing that, what do you say as to the 4 *d.* duty?—With respect to the statement put before Sir Horace Davey, I ought to say this, that he says
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something with respect to their being ready and willing to measure or to weigh. Upon that I say that it must be a service that can be rendered; and not merely not rendered, because the person does not want it done. It is alluded to in the memorandum; that is why I allude to it. The third Charter of James specifically stated that they had measuring to do. I shall show shortly that this service cannot now be rendered. The City themselves were never certain upon that point that they would not have to render the service. Mr. Scott is asked that in 1861, at Question 154, "Would this be simply a duty collected by the Corporation, or is it a payment made for certain services which the Corporation has to perform to the public?" And he says, "That I cannot say; but the matter is very clearly recited in the Act." There again you have a case raising some difficult legal questions. Then with respect to the 4 *d.*, as I said in the beginning, the position which we take up as to the 4 *d.*, is exactly the position set out in the Report from the Select Committee on Metropolitan Local Government of 1886. It begins with a reference to the Holborn Valley; perhaps I had better read it. This is the only thing of this kind I propose to read, but it is extremely important, and I should put it in because this is how we stand: "The Corporation of London in 1864 obtained the sanction of Parliament to effect the long desired improvement of raising the thoroughfare over Holborn Valley, with two lateral streets on the northern side of the Viaduct, at an estimated net cost of 483,196 *l.* To meet this, the Corporation was empowered to borrow the sum of 600,000 *l.* on the security of the 4 *d.* coal duties. Having proceeded to carry out this improvement, the Corporation now estimates the net cost, owing to the rise in the value of property in the City of London at 586,000 *l.*, being an addition of 102,814 *l.* The fund already provided by Parliament will still be sufficient to cover this increased expenditure. The Corporation, however, are desirous of undertaking other improvement in the neighbourhood of Holborn Valley, the net estimated cost of which would be 420,000 *l.*, and they are also desirous of having the 4 *d.* coal tax continued for such further time as would enable them to raise the additional capital for the purposes on the credit of the dues. It has also been suggested on behalf of the Corporation, that if the present coal dues be suffered to expire the Corporation would claim to levy metage dues for its own benefit" (the very claim here); this subject was reported upon as follows by the Committee appointed in 1861, to inquire into the local taxation of the metropolis; 'With regard to the impost of 4 *d.* a ton, your Committee find that the City exercised the right of appointing coal-meters, for the purpose of weighing or measuring all coal imported into the port of London, or water of Thames, under their conservancy, and that the coal-meters paid to the City an annual sum of 80 *l.* a year each, from the earliest times of which the Corporation have any accounts until the year 1785. This fact was especially brought under the notice of the House of Commons in the year 1692, when the City of London laid before the House a statement of its revenues, which, as respects the metage of coal, is as follows: The City's four coal-meters' places, at 80 *l.* per annum each, 320 *l.* The rent of 10 coal-meters' places, of 80 *l.* per annum for each of them, have, time out of mind, belonged to the Lord Mayor for the time being, for the maintenance of several tables for above 30 officers bound to constant attendance at the Lord Mayor's house about the affairs of this City; and the said rents were never paid to the Chamber, nor esteemed part of the public revenue of the body corporate. The coal-meters received a sum of 4 *d.* a chaldron for measuring the coal, for which they performed that duty, and defrayed its incidental expenses. From the year 1785 to the year 1830, the Corporation of London gradually effected the important change of receiving the metage duties itself, and paying certain sums to the coal-meters, instead of receiving from them the fixed annual payment of 80 *l.* a year. The revenue thus obtained by the Corporation in the year 1829 "that is the last year it was collected) "amounted to the sum of 26,559 *l.* 13 *s.* 10 *d.*, subject to the payment of 6,639 *l.* 18 *s.* 5 *d.* to the deputy meters, and 2,860 *l.* 1 *s.* 1 *d.* for charges and expenses of metage, making a deduction of 9,499 *l.* 19 *s.* 6 *d.*, or about 36 per cent. on their receipts" (that was for work absolutely done) "which were thus reduced to the net sum of 15,059 *l.* 18 *s.* 11 *d.* in the year.'" Now I would say in

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passing that it is evident that the coal dues in 1692 only brought in to the City exchequer 320 *l.*, that in 1785 they brought in 1,120 *l.*, and that in 1829 they brought in 15,059 *l.* At that time they were levied upon all coal coming into the Port of London, as I understand it. The last time they were levied they brought in 15,059 *l.* It is suggested that there should be paid a *solatium*, for the loss of the right which then existed, and brought that in, 475,000 *l.*, of which 100,000 *l.* is to come from the Kew Bridge fund, and the rest by taxing London. I do not propose to make any observation on such a claim, but merely draw attention to it.

632. What you mean is that the practice of metage is essentially gone, and that, in fact, the sale by measure is illegal?—I am going to come to that. The quotation in the Report of the Committee of 1866 from the Report of the Committee of 1861 continues as follows: "But at that period the various charges then levied upon coals having engaged the attention of Parliament, an Act was passed in 1831, for a period of seven years, abolishing the system of metage, and providing that the duties on coals should be levied by the ton." Another statute in 1845, they say, extended the area, and so on: "The City of London having thus been permitted to receive the duty of 4 *d.* a ton on that basis, the claim to levy 4 *d.* a chaldron, subject to a deduction of 36 per cent. in the Port of London and river under their conservancy was converted into a power to receive 4 *d.* on four-fifths of a chaldron, without being subject to any deduction (except some payments for expiring pensions) on all coal brought both by land and by sea within 20 miles of London. The duty of 4 *d.* by these means, as well as by the growth of population increased to 74,824 *l.* in the past year. Hence it is apparent that whilst in the year 1785 the City received only 1,120 *l.*, and in the year 1829 the sum of 15,059 *l.* for superintending the discharge of important duties by the coal-metres of London, it now reserves 74,824 *l.*, without rendering, in return, any service whatever in relation to the trade in coal. Your Committee, however, deem it unnecessary to pursue this subject further, as the House has just passed a Bill to appropriate the duty at 4 *d.* which it has continued for ten years; first for the payment of certain debts incurred in effecting public improvements, and secondly, in aid of future public improvements in and adjacent to the City of London. Your Committee also think it unnecessary to report specially on the remaining duties of 8 *d.* and 1 *d.*, as they have also been continued by the same Bill for the further term of 10 years." Then comes a sentence which I read before and will read again.

633. I think we know it; we know now that in spite of that, Parliament at various periods has extended the coal due of 4 *d.* for certain periods?—Not in spite of this, but it is in this Report they recommend it. The point here that I was dealing with was their suggestion of prescriptive and chartered rights; and the Committee say, "it will be time enough to consider" that and what course Parliament should adopt "whenever the exact extent and legal nature of the rights, if any, of the Corporation to levy such dues are ascertained and defined by the decision of a competent court of justice." Then I come to the question which you, Mr. Chairman, raised just now as to whether they could carry it out at all. Now what is the claim that they really make as to this 4 *d.*? I apprehend it was put pretty clearly in the evidence which was given at Questions 161, 162, and 163 of the Committee of 1861 by Mr. Scott, who was the authorised exponent of the City at that time. "Do you say that before 1831 the City, at its own expense, paid for the measurement of the coals?—(A.) Yes; they paid the metage expenses, and provided meters who attended to the measuring. (Q.) Who paid them?—(A.) The Corporation, and they provided measures and paid all the expenses and performed the duty. (Chairman.) What is the claim that the Corporation would make, supposing these Acts of Parliament to expire; would it be a claim to be paid a tax, or would it be a claim to measure all the coals that come into the Port of London, or all coals that came by any other way into London, and to be paid for performing that service?—(A.) That would be their claim," which claim would be, not to be paid a tax, but to be paid for measuring. And that is so all the way through. He says at the end of No. 155, "The Corporation I may state as a matter of fact did measure the coals, and performed the

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duty before the year 1831. (Q.) And they would have to do that again if they claimed any payment. — (A.) Yes; in case the compulsory weighing was to lapse by the expiring of the Acts of Parliament."

634. I think the Chamberlain took the same view in his evidence before us? — Yes. Then I say that if they have to measure in the first instance the thing cannot be done. If I may refer for a moment to the Report of the Committee of 1830 they say how the measuring then was done, and that could not be done now. I will show why if the Committee wish it; but I do not wish to occupy their time needlessly.

635. On account of the large coal was it? — No; the large coal could not be measured; but that was a very small amount; it only was a few shillings. But in his evidence the other day I see the City Chamberlain does talk about setting up vats again; and therefore he does recognise that this is what they will have to do; it is in perfect consonance with this. Of course we could not have possibly a prescription to measure extended to a prescription to weigh. At page 4 that Report of 1830 says: "The principal meters superintend the deputy or working meters, whose duties it is to ascertain and certify the quantity of coal measured out of the ship; and each deputy meter appoints an assistant, who works with him in the delivery of the cargo. In order to effect this object, a vessel called a vat" (that is the vessel alluded to by the Chamberlain in his evidence the other day) "containing 9 bushels, is placed on the deck; it is filled from a basket in which the coal is raised from the hold, and is deemed to be full when a regular cone 12 inches high is formed on the top; the vat is then emptied over the ship's side into the barge."

636. I suppose you would be of opinion that it would be a practical impossibility for coal now-a-days to be measured? — I say as a practical matter it would be not be able to be done; but I think it is very doubtful whether they could compel the people to have it measured at all; and if they could not compel the people it could have no value at all, because no one for his own amusement would have such a vessel as a vat filled from a basket going up and down by a rope. If that is gone the other is gone; and that is a point of law, I submit, of the utmost complexity. If that point of law were decided by the highest tribunal against us, we should then deal with the other part of the case. The Chamberlain, in his evidence, in answer to Question 165, "Would it be a claim to compel every person to have his coals measured whether he liked it or not?" says, "I think that is rather a point of law." I agree with him; so it is.

637. Sir *Stafford Northcole*.] I think you gave us the amount of the metage money received by the City; in 1785 you said it was 1,120 *l.*, and in 1829, I think the last year it was exercised, 15,000 *l.*? — £. 15,059.

638. Of course that shows that between 1785 and 1829, a period of 45 years, it increased very largely? — Yes.

639. And assuming now 60 years later that the City rights could revive, that they could exercise rights of metage, it is hardly fair to say that the City are claiming 475,000 *l.* for a right that was only worth 15,000 *l.*; the right in 1889 is more valuable than it was in 1829? — I said the right in 1829 was only worth 15,000 *l.*; I do not say it is only worth that now, though I will give a reason directly why I think it is worth less. Upon the question of law which the Chairman asked me, there were questions asked; first as to the question of custom; there were questions asked as to oranges, and so forth; and a suggestion was made that the City levied a metage upon these now, which was a profitable metage. In 1861 they said that answered the questions about oranges, and other matters mentioned in the Charter; and, therefore, it is very important to see how custom has, as a matter of fact, brought this metage charge to an end. The City do not receive any profit whatever from the metage of anything at all, according to my view of the case, though in the Statute there are those other things set out. Now, in Questions 621, 622, and 623 of the Committee of 1861 the Chamberlain deals with these points. In the case of oranges, he says, in answer to No. 622, "They are all now sold by the box, not by measure," and "the Corporation have given up the whole" of the metage. Then, in the City accounts, which the Chamberlain has been courteous enough to send me every year

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year for many years, there is nothing set out for metage, except the voluntary fruit metage and the corn metage, which are carried on at a loss. The grain metage brought in 792 £, and cost 1,168 £. to bring in. Fruit metage brought in 807 £, and cost 1,057 £. Because, of course, the City has given up all metage owing to the change (and that is the point) in the method of sale. But the case is very much stronger here than that, and this is a point of the case which was never put before Sir Horace Davy at all in a form in which he could deal with it. It was not pointed out to him that there have come, since the prescription was exercised, Statutes which have practically killed it, in our contention. The Statute of 1 & 2 Will. 4, c. 76, has a clause saying that the alteration of dues and the City rights shall only be suspended for seven years; but it has other clauses which are still vital. Clause 43 is not, as far as I can see, in any sense repealed, which prohibits coal to be sold in London at all, except by weight.

640. *Chairman.*] And puts it upon the seller, does not it?—Yes. Then in addition to that there is the Public General Act which comes later, the 5 & 6 Will. 4, chap. 63, sec. 9, which prohibits coal from being sold at all except by weight. That Act contains certain machinery whereby the old standard may be changed to the new one by weight; but the Act was repealed by the 41 and 42 Vict. chap. 49, sec. 86; it is re-enacted without that part, and therefore that is gone. There is no machinery by which they could change the ton to the chaldron. The 14th Section of the General Act provided machinery for determining the amount in terms of the new standards of all tolls, rates, and duties theretofore payable according to weights and measures then in use. As I suggest, the prohibition against selling the coal by measure will apply to all transactions in which the amount of a payment has to be ascertained by reference to the quantity of the coal. If that be so, the new conditions and the new statutes have practically made the sale of coal by, or dealing with it by measure at all, illegal, and they can only by their prescription deal with it by measure, *ergo* the prescription is gone.

641. Now I will take you to the Holborn Valley Improvement; I suppose that was a London improvement?—I find that there was one point that I omitted to mention. In leaving the prescriptive claim I said that if any compensation had to be given for it reference would fairly be had to what it had produced when it was a vital and living force. Of course I am only dealing with that in order to cover the whole ground; I do not for a moment admit that under those circumstances any compensation would be payable; but what I was going on to say was this: that if compensation had to be assessed, supposing it were an existing right that could be enforced, in addition to taking into consideration those points as to past value, you would be bound to take into consideration present value from this point of view. With all London adequately supplied from untaxed coal, what amount of coal would be likely to come in and pay the tax? Probably it would be a less amount than in 1829; all they would be entitled to now, if every one of their claims were proved to the full, would be to have compensation for what that tax would bring in if there were no legislation.

642. You are naturally stating it as if you were an advocate against their claim?—I am stating it as a commentary upon what I have already said.

643. *Mr. Lawson.*] Are you not following on the lines of the Select Committee on Metropolis Local Taxation of 1861, which in their Third Report drew a like comparison?—I have not that Third Report before me.

643. *Chairman.*] Now to come to the Holborn Valley Improvement, that you consider a London or Metropolitan Improvement, do you not?—With respect to the improvements executed in the City of London there has been a regularly settled mode of proceeding from the time when another authority able to execute improvements in the City came into existence, that is to say, the Metropolitan Board of Works. The matter was discussed, and discussed at great length, and practically settled upon the Queen Victoria Street Improvement. The City were very anxious to have the control of that improvement, but it was represented that inasmuch as it was to be made out of funds levied by an authority representing all London, and monies payable by all London, the

making of it should be in the hands of the Metropolitan Board of Works, and the consequence was that the Metropolitan Board of Works succeeding in that contention had the control, a thing unknown of course in all previous history, and never previously dreamt of, of the making by an alien authority of a street right through the City; and the principle then settled and understood was that where the whole cost of the improvement was paid by an outside public, there the control should be in the hands of an outside body representing them, and where made within the City, it should be in the hands of the City. And a modern illustration of that arises in the case of the Tower Bridge Improvement. It might be contended with respect to the Tower Bridge that it was a Metropolitan improvement, and every argument that applies to the Holborn Valley, except the incidental connection of the 4*d.* rate with the Holborn Valley, every other argument which applies to the Holborn Valley applies equally strongly to the Tower Bridge Improvement.

645. The Metropolitan Board of Works took no part in the Act of 1864, did they?—No. The Metropolitan Board of Works were not consulted in the Act of 1864; they were not consulted in the making of this improvement. If they had been consulted they would not, if they had truly represented the London people, have agreed to its being made in the way in which it was. In the paragraphs which I read just now from the Report of the Committee of 1866 it was pointed out that certain funds were to be raised for the purpose of the Holborn Valley; those funds were afterwards, or rather the money expended was afterwards very much greater, because the Holborn Valley Improvement was not confined to the metropolitan part of it, which is the bridge; that has been paid for, I believe; my impression is it will be found that that has been paid for it, because the costs for it were raised in those two funds spoken of in that Report.

646. Mr. *Baumann*.] If I may interrupt you, what is the analogy between the Holborn Valley and the Tower Bridge?—I will answer the honourable Member. This fund was afterwards enlarged under the provisions of another Act until they borrowed altogether 1,715,000 *l.* I recollect the matter very well, because it was a matter of the strongest public comment in London; the form which this improvement took. I recollect that one of the things that I myself was bitterly attacked for saying was that the City had expended this money in such a way, and so extravagantly, that it seemed likely that in 1889 they would be 700,000 *l.* in debt; it has turned out to be 744,000 *l.*, so that it was a good calculation; and I said I hoped they would not come to suggest that the London ratepayers should pay that; and how was it expended? It was expended not merely in making the bridge, and afterwards in making the bridge level, but in making street improvements and clearing areas unnecessary for the Viaduct Works. The result of the expenditure was to clear out of that area an enormous number of the poor, to whom time was money, and to send them over to every other part of London, lessening the City poor rate, and acting, as we then said, and as I still believe, in a manner most disadvantageous to the interests of the people of London. That was the contention, and the whole argument at that time; and I think it is a good one now. With respect to the question put, as to the analogy to the Tower Bridge, there are many analogies. The Tower Bridge is more of a metropolitan improvement than this is.

647. Why more of a metropolitan improvement?—Because the communication between the north and south of the river at the Tower is a matter of greater metropolitan importance than the clearing of the areas round the Holborn Valley, which are the matters for which the debt exists.

648. And the bridge of the Holborn Valley?—No, I did not say the bridge of the Holborn Valley.

649. That is part of the Holborn Valley Improvement?—When the honourable Member was not here, I read from the Report of 1886 two paragraphs, showing two funds raised for the Holborn Valley purposes; those were funds which were for the purpose of the Holborn Valley Bridge, and if they were paid off in order of priority, they are now paid, and the money now due is due for the improvements, so called, of the kind I am speaking of. We did not consider it an improvement, we considered it a disadvantage. But the analogy as to the way in which the money is borrowed is this: The ultimate security in each

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each case is the estates and revenues of the Corporation ; and the argument of the City, as I understand it, is that although the statutory 4 *d.* is gone, and although the public creditor whom they appear to invoke has no claim upon the statutory 4 *d.*, because he must have known that it would go, yet that in the words " Estates and Revenues of the Corporation " is included a possible resurrection of the 4 *d.* prescriptive duty.

650. *Chairman.*] Are there not three ; did not the creditor rely upon three securities ; first upon the 4 *d.* rate, which he had no right or title to suppose would be renewed after the 5th July 1889, except from the fact that Parliament had frequently made renewals, but he had no further legal security in that respect ; second, upon the estates of the Corporation ; and third, upon the value of any prescriptive rights which might remain. There were three securities which the creditor had ?—Well, with respect to the first as relying upon the renewal of the coal dues——

651. No ; he relied upon the 4 *d.* due ; up to the 5th July 1889 he had a full right ?—Or one which he might expect to be renewed because it had been ; that is their contention. But that is not so. I say there is no man so foolish in the whole City of London, because for some time before any debenture that is now running—they are only renewed for short periods of time—the Conservative Government had declared, and the Liberal Government had declared, that under no circumstances would they renew them ; this declaration has been repeated since that ; I say that after that any man relying upon their renewal would be foolish, and we should not be asked to give any compensation in respect of that.

652. *Mr. Lawson.*] Is it not the fact that Sir Stafford Northcote in 1875 gave notice that there would be no renewal ?—Yes ; he stated it most distinctly. Then as to the prescriptive rights, I should think it extremely doubtful whether any City creditor knew of their existence ; or if he knew of their existence attached any value to it. But see where we should be led supposing that is true ; if prescriptive rights were included in the words " revenues and estates," this thing may go on till time shall be no longer. Suppose I take the statement as to the City bonds, what does it say here in the City cash account at the head of all these bonds ? " Loans raised for which the Corporation Estate is contingently liable should the trust or market revenues, surplus lands, coal dues, &c., which are primarily liable, prove insufficient ; " and there follow not merely the Holborn Valley Improvement but the Tower Bridge, the Cattle Market, and the whole thing. If we are liable for Holborn Valley we are liable for all those ; if there is buried away in the breast of the investor in Holborn Valley Bonds the idea of this prescriptive duty, why is it not buried in the breast of the Tower Bridge investor ?

653. *Chairman.*] You have quoted from the general City bonds ; have you seen the form of the debentures on the Holborn Valley Improvement ?—I am quoting from the accounts of the City of London themselves, and this is their own statement.

654. But have you seen since the bonds given for the Holborn Valley ?—No, I have not ; the form of the bonds is not shown to us ; but I do not think it is material, for this reason, that the statutes are the same, the Tower Bridge Statute is the same ; the first charge is on the Bridge House Estate. It is not necessary that I should say how far I think the estate can maintain the charge, because it is not germane to the present inquiry. The first charge is on the Bridge House Estate, the second charge is exactly the same as in the Holborn Valley, on the estates and revenues of the Corporation, that is the statutory provision. Therefore the statutory charge is an exact analogy.

655. *Mr. Lawson.*] I do not understand you to dispute that the Holborn Valley bondholders have as primary security the statutory duty expiring on 5th July ?—Yes, they have.

656. *Chairman.*] And second, the estates of the Corporation ; and third, if any of them were wise enough to know it, any prescriptive rights with regard to coal which the Corporation might have ?—If you include that in the words " revenues and estates."

657. If their rights are worth anything they are included ; they are part of
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the estates of the Corporation?—Yes; but if they come against us in the Holborn Valley, they might come against us in the Market bonds.

658. We are confining ourselves to the Holborn bonds?—I was showing the effect of it. The thing might go on for ever.

659. Mr. *Baumann*.] The difference is that the primary security in the case of the Holborn Valley is the coal duties; in the case of the Tower Bridge the Bridge House Estate is the primary security?—Where is there a difference? Neither of them is the property of the Corporation.

660. Do you mean that the Corporation are not the trustees of the Bridge House Estate?—No, I did not say that. Trustees are not owners; the Corporation cannot dispose of the Bridge House Estate; the Bridge House Estate could not be charged for the purpose of the Holborn Valley Improvement.

661. But the Bridge House Estate could be charged and was charged for the purpose of this Tower Bridge; and the Corporation came forward and said, "We have these trust estates which we can devote to a certain point, and out of those we intend to make London a present of this Tower Bridge;" was not that so?—Not to my knowledge. The idea of the City making a present strikes me as interesting.

662. My recollection as counsel is, and I asked you whether it was not so, that the City Corporation having these trust estates which they could charge for this purpose, came forward and said, "We intend to make this Tower Bridge as it were a present to London"?—I do not see that trustees can make presents of the property of which they are trustees.

663. I said a present of the bridge, not of the property?—The bridge is the produce of the property.

664. The bridge is built from money raised out of security of the property?—I do not see any difference.

665. Mr. *Hargreaves Brown*.] You remember that the Tower Bridge Bill was passed in 1885; do you remember the case in which the Metropolitan Board of Works offered to make a bridge in Nightingale-lane?—Yes, the year before, 1884.

666. Are you aware of the reason why that Bill was thrown out?—I am not prepared to state it now.

667. I was on the Committee, and I know it came out in evidence at that time particularly that there was in the hands of the Corporation of London money for the making of improvements across the Thames, charged to the Bridge House Estate, and this was an improvement in the Tower Bridge Bill; and the reason it was charged on that Bridge House Estate was because the funds were allocated to that particular purpose. That analogy will not bear upon the Holborn Valley Improvement?—Then the evidence given to you in 1884, which was given by Mr. Scott himself, was that, after careful examination into the Bridge House Estates, he thought there might be raised upon them 600,000 *l.*, and they have raised 1,000,000 *l.*

668. Mr. *Lawson*.] I understand that the proceeds of the Bridge House Estate are devoted in trust to the provision and maintenance of means of communication between the two sides of the Thames?—Yes, they are devoted to bridges; keeping up the Southwark, Blackfriars, and London Bridges. With respect to my statement as to a million, I see it goes rather beyond the Tower Bridge, and what proportion belongs to the Tower Bridge I am not able to say now. The amount here is 1,039,500 *l.*; that is the total amount of undischarged loans in relation to the Tower Bridge and the other bridges.

669. Sir *Richard Temple*.] In regard to those clearances that you mentioned in the neighbourhood of Holborn Viaduct, for what purpose were they made?—The grass grew green upon them for some years as regards a portion of them; as regards other portions, the streets were made leading up to the high level bridge which had been made level, instead of the original project, which was not to have it level. The purposes were such as any Londoner could see; artisans' dwellings under one of the Acts have been put up on part of it I believe now. I do not know whether the value of those has been taken into account in the recoupment in this matter.

670. Were they not made for opening out streets that were collateral to the main

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main communication with Farringdon-street, and therefore were not these streets made for the general facilitating of the metropolitan traffic?—I am willing to take it they were made for such purposes as their present existence may indicate; but I am not prepared to admit the accounts as they handed them in. I should like to have a knowledge, for example, of how much of this was applied for the ground of markets over which we have no control. When in 1692 they were 747,000 *l.* in debt, they were compelled, before Parliament helped them at all, to send in an accurate statement of their estates and revenues, and all their property; they have not been asked to do it now. In ordinary City improvements we pay half; we have paid more than half of this. Why are people outside of the City to pay the whole?

671. But do not these clearances mainly include communication that used to be known as Snow-hill and Shoe-lane, and now include also Charterhouse-street, are not those the clearances you refer to?—I think it is called the Holborn and Farringdon Market Improvement in the account; it must be perfectly well known what they include. I said that the poor, to the extent of many thousands, had been driven out; that the ground on which the buildings rested grew grass for years; that we outside had to support the poor; and that nine years ago I hoped that we should not have a suggestion that outside London should pay for it.

672. *Chairman.*] You said that there should not be a claim upon London for all the debt. That is not the proposal, is it, that the City has laid before the Committee; not that outside London should discharge the whole?—No, but they have raised 1,715,000 *l.*; we have paid approximately a million, in addition to the interest for an improvement over which we have no control, which in its entirety did not meet with our approval, and which, as we say, came under the general principle which has been applicable to City improvements since the date of Queen Victoria-street, at any rate; that where the City made them the City must pay for them.

673. *Mr. Lawson.*] Have you seen the summary of accounts of the last Holborn Valley Improvement Fund?—Yes, I have seen it, but I have not had time to examine it carefully.

674. Are you aware that on the side of receipts the sums altogether amount to 1,266,000 *l.*?—I will take it so from you; I have not the document here.

675. And you have not examined, nor are you able to express an opinion with regard to the destination of all that money?—We have not had the control of it.

676. *Chairman.*] Who are “we”?—I am afraid that long habit has rather led me to look upon the representatives of 117 square miles, as “we,” and the representatives of one square mile, as “they.”

677. *Mr. Hargreaves Brown.*] The Metropolitan Board of Works at that time were the body in charge of the Queen Victoria-street Bill?—Yes.

678. And you are not able to allege here that the Metropolitan Board of Works opposed the Holborn Valley scheme, did they?—No, I am able to state that; but they took no part in it. The scheme was in three parts; two of them mentioned in that report, and there was a subsequent borrowing of a still larger sum.

679. *Mr. Lawson.*] Are you aware that under the head of assets is set down 55,981 *l.*, representing the valuation by the City Architect of the property unsold at that date?—Yes, I did see that; I should prefer to have another valuation.

680. Do you not think it is necessary, supposing that there is to be any compensation of money paid, or authorised to be paid by Parliament to indemnify the City, there should be an independent valuation?—There ought to be, of course.

681. By the Holborn Valley Improvement Act of 1864, the City had power to acquire sites for lodging-houses?—They had.

682. Part of the money was authorised to be raised for this purpose?—Yes, and by a subsequent Act they have power to erect them, and to raise money for the purposes of the Act. I apprehend you would find that the present artizan's dwellings were erected out of that. I am not sure; and if so, they ought to have been put into the account.

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683. There is set down to erection of improved dwellings for the labouring classes, 9,900 *l.*?—Yes.

684. You have not had any means of going into that?—No; and if I had means I have not had time.

685. Do you know whether any lodging-houses have been erected by the City?—I think it will be found that a great pile of lodging-houses were erected by the City, and probably under those Acts.

686. Are they in the hands of the City authorities?—I think so.

687. They have not sold them?—You might ask the City people that.

688. In any case, do you think that there should be some investigation into these figures, of which we have only rough totals?—If it is suggested at all that this should go forward, and that we should pay compensation for something as to which I have given evidence, beyond all doubt it would be so. I ought to have added this, as a point arising upon the whole situation, and that is, that whatever claims the City of London may have had against outer, and what it probably would call barbarian London, they have been amply satisfied. The case upon that stands in this way, and it comes into the point as to the equities of the case. In 1694 the Orphans Relief Act gave the Corporation of London the duties to the amount of tenpence per chaldron, and sixpence per ton to pay off its private debts; and upwards of 1,300,000 *l.* was received from these dues by the Corporation of London for the payment of these private debts, before the Orphans' Relief Fund became chargeable for any other purpose.

689. *Chairman.*] Do you think we should go back again to that which we have long passed?—I am coming on to say what they have received. Upon the equities of the case, Mr. Cooper says they have a slight moral claim; they appear to be anxious to translate that into a claim of 475,000 *l.* I point out that the moral obligation is entirely the other way. I suggest in this note that it is. In the first place they receive 1,300,000 *l.* for their private debts. Then from 1785 onwards, the fund was from time to time charged with sums of money for other purposes; but large payments still continue to be made to the orphans and other creditors, and these debts were not finally extinguished till 1834; during all those years down to 1831 the whole district round the metropolis was contributing to the payment of the debts of the City Corporation, and in addition, the duties on coal levied under the Charters of James the First were received by the City Corporation, and appropriated to its private ends.

690. Whether the orphans and creditors were private debts or not, they were authorised by Parliament to be paid out of those dues?—I grant that, if they invoke the authority of Parliament. Now this is a matter of some importance, because by the Act of 1831 when their 4 *d.* chartered duty per chaldron was suspended, in lieu of it the Corporation received 4 *d.* a ton. By the Act of 1845, the coal duties were levied within a wider area, an area of 20 miles from the Post Office; and the Corporation have received in this way enormously larger sums than they would have done if their chartered rights had remained. Therefore Parliament has given them for their own private use——

691. The suggestion of your note is, that the Corporation have received sums of money, and applied them to the payment of their private debts, or private use; how do you justify that statement?—Down to 1834 the Orphan Fund, which was a purely personal fund, was maintained.

692. After 1834?—After 1834 the word "private" in that sense becomes changed, it would become "local" probably. Then was established the London Bridge Approaches Fund.

693. Mr. *Lawson.*] I did not understand that that word was used with reference to any period after 1831?—1834. My final observation upon the Holborn Valley is this, the Holborn Valley Improvement Bondholders lent their money upon the security of the 4 *d.* coal dues as extended by the Act of 1868, and the general credit of the Corporation of London. If a perfectly solvent debtor loses a little money his creditor cannot very well come back upon him without some ground: if the City came here to-day and said we are insolvent, as they said in 1692, then the question would be different; then of course while we should say, "If you oppose us or make a claim against us, we will deal with you on lines of perfect justice." I apprehend that if they came and said they were insolvent,

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we might be willing to consider whether—although it would not be a sound financial transaction—yet whether for general purposes, and for the production of unity of government in London, we should consent to absorb them.

694. *Mr. Baumann.*] Do you mean to deny that the whole of London, and the whole body of Londoners now use and derive benefit from the Holborn Valley Improvement?—I am of opinion that the whole body of Londoners do not derive benefit from that part of the Holborn Valley Improvement as to which the debt remains.

695. And do you assert that the debt contracted for the improvement, and the bridge has been already paid off?—I do not assert that; but I think, having regard to the method of issuing the bonds for short periods of time, in all probability it has.

696. Why do you think so?—Because it was in three parts, and the first two parts were mainly concerned with this. I have here the list familiar to everybody how these funds were expended in all these years, and they nearly all form matters within the City. Therefore, as far as the equities are concerned, I think that the equities are in our favour.

697. *Chairman.*] You admit however, I think, that whether these improvements were wise or unwise improvements, they were improvements carried out and the debts contracted under the authority of Acts of Parliament?—Beyond doubt; so is the Tower Bridge. Then there is the Kew Bridge question.

698. *Sir Richard Temple.*] How do you separate one part of the debt from another?—I do not propose to separate it at all; but when a question is put to me in this form: Do you admit that the money now due for bonds was spent for a great metropolitan improvement, I separate it in the way it is separated in the Report of the Committee of 1866, which I read, and which I will read again if it is desired.

699. But are you supposing that you can separate one part from another, and say that the part of the debt which remains is not for metropolitan improvement; how can you say that?—I did not go to that limit. I simply pointed out the fact that we did not take any part in it. We are asked to pay for something as to which we took no part in the sanction of the improvements to be made; that, from circumstances which I will mention, I do not think the sanction would have been given.

700. Is it not implied by your previous answer that the part that remains, in your opinion, consists of what is known as the Farringdon Market and the fish market; do I understand rightly from your answer that that is what you mean?—I really do not know how the debt has been divided.

701. Then how do you say that the part which remains is not for a metropolitan improvement. If you say that a part remains, am I not entitled to ask what part is that?—It stands upon the Report of this Committee.

702. I think you mean these two markets from your answers, but I am not sure; will you kindly say?—I am not in the secrets of the Corporation of London. The way in which they deal with their debts is a matter in their own Chamber, and I neither assume nor expect to have perfect knowledge upon that; but reasoning from the facts that are matters of public knowledge, the case stands in this way: It says in the Report of the Committee of 1866 that the Corporation in 1864 obtains the sanction of Parliament to raise the thoroughfare with two lateral streets, at an estimated net cost of 483,000 *l.* To meet this the Corporation were empowered to borrow the sum of 600,000 *l.*, and the actual expenditure was 586,000 *l.* Now, if reference is made to that blue document that can be traced. There is the first expenditure; that is an expenditure that was undoubtedly a metropolitan improvement. Secondly, "the Corporation are desirous of undertaking other improvements in the neighbourhood of Holborn Valley, the net estimated cost of which would be 429,000 *l.* If you refer to the blue document you will find that there was still a third. I do not wish to go any further (because it is a matter unknown to the general public) than to say this, that as the bonds were issued for short periods, and the rate of interest has gradually lowered; in all probability the bonds issued were paid off for those two improvements, and those two improvements, I should think, were properly metropolitan.

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703. Then I understand that, in your opinion, the works over and above the viaduct, and the main communication and the lateral streets; the works over and above those constitute the part that remains; that is your opinion?—I have stated the whole that anybody can possibly know outside the City Chamber.

704. Is it not so?—Very likely; I should think it would be so.

705. Then I ask, do not those works consist of two markets, the Farringdon Street and the Fish Market?—I will point out to you, if I may do so, that if it were so you would be giving away the City case. I think that they do. I wish to know to what extent this 1,715,000 *l.* does include expenditure on market sites, because I not know.

706. Have I got your meaning rightly, that in the main these additional works consist of the two markets?—That is not in my knowledge.

707. If it is not that, what are the works that constitute the part that remain. You see the works over and above the Viaduct, the main street and the lateral streets; I understand that there are works over and above those as specified in the extract which you read; I want to know what those works are; I believe you mean the markets; if not, what remains besides the markets?—Of course I have not included the artizans' dwellings, but I will look at the Act.

708. Say certain artizans' dwellings?—Section 21 of the Holborn Valley and Farringdon Market Improvement Act, 1872 (this is the last Act, and therefore, presumably, part of the debt now existing), says this: "The Corporation may lay into Farringdon Market any land (including the site of any street) acquired or vested in them under or by this Act, and any land so laid into the market shall in all respects be deemed to be part of the market." Now we will take that test case, if I may. If these funds have been used for the purpose of a market, then outside London ought not be called upon to pay for them, because a market is not a metropolitan improvement. A market is not a metropolitan improvement, because it is a private speculation on the part of the City which receives and makes profit out of its tolls; under no circumstances does the market toll come into the private property of the London people who find the money, but it is received by the City. Every market is entered in their accounts with the amount it produces, therefore we ought not to be liable to be called upon to pay any money for meeting the cost of a market under those conditions.

709. That is the very point at which I have been endeavouring to arrive. I then ask you: do you mean to say that those markets are not for the general benefit of the Metropolis?—I did not say that. I should be prepared to argue the market question if this were the time and place. I think that the central market system of London is most disadvantageous to the people who live in the district where I do; but to suggest that we should pay for the markets put up by the Corporation under the right of a Charter granted by Edward 3, having regard to the fact that they receive the tolls, is a very strong proposition.

710. Were not those markets designed at all events for the general benefit of the metropolis?—I think the architect is dead.

711. I did not mean designed architecturally; were they not intended for the general good?—I think they were intended for particular good, but they have some general advantages.

712. *Chairman.*] I think that we want information about that; we must ask the City people, because in these accounts I only see 15,000 *l.* put down under the Farringdon Market Improvements?—But then the markets Sir Richard was asking about are not confined to Farringdon Market; he goes to the Fish Market on the other side.

713. *Sir Richard Temple.*] Were not the artizans' dwellings meant for the general benefit of the artizans of the metropolis?—They were compelled to build them; that was the first thing; it was a commercial speculation.

714. *Chairman.*] It only amounted to 9,916 *l.*; it was a very small sum, for "the erection of improved dwellings for labouring classes"?—I cannot think that that can be the correct sum.

715. "Maintenance of improved dwellings, 4,275 *l.*"?—Before the amount of debt was fixed the figure would have to be ascertained by a competent independent accountant.

716. *Sir Richard Temple.*] Can you mention any one of the works included in

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in the Holborn Valley Improvement which was not intended for the general benefit of the metropolis?—Clearing out the poor and leaving the grass, or rather the ground, unoccupied for a number of years.

717. But those clearings were effected for public improvements, were they not?—That depends on the views which people take on public improvement.

718. Mr. *Baumann*.] Is it not the case in all metropolitan improvements, where you have to clear away poor dwellings and build improved dwellings, the poor are always cleared out; have not the Metropolitan Board of Works cleared the poor out?—We are compelled to reinstate them, therefore the amount of the moving of the poor is small; whereas if you take the population of the City at the beginning of the century and now (though I know there have been other causes for that), it is only one-third of what it was.

719. Mr. *Lawson*.] Do you think the accommodation afforded for the 9,900 *l.* can bear any comparison to the number of the poor people ejected for the purpose of the improvements?—There is some comparison, but it is not equal to that.

720. Mr. *Baumann*.] Have you any idea how many poor people were cleared out?—I cannot give you now a definite idea about it, except in this way, that there have been cleared out, I should say, from 70,000 to 100,000 poor from various parts of London, chiefly St. Ann's, Blackfriars, and the Farringdon area, in the last 30 or 40 years.

721. *Chairman*.] Were they not under the general provision of the Act, according to which before you can clear out the poor you must make provision for them?—No, that was the Act of 1877, I think.

722. Mr. *Baumann*.] With regard to Farringdon Market and the Fish Market, did they not exist before this Holborn Valley Improvement; were there not markets on those spots?—Not as to the Fish Market, that is a modern one built since the improvement, and which I apprehend, as to the site, is part of it. Farringdon Market dates back longer than any other City Market; but the clause I read from the Act of Parliament of 1872, shows that land is to be thrown into it in connection with an improvement of the Holborn Valley.

723. If there were markets there before, and the City levied these market tolls, which are not in question, surely it must be a metropolitan improvement to build a new and a better market?—I do not think that it comes within the ordinary term of a metropolitan improvement. Supposing you had, for example, Deptford Cattle Market, which is in the hands of the City, and you found that that market was too small (it is bringing in an income, from tolls, to the City), I would suggest that you cannot enlarge that market at the public expense and continue to receive the toll.

724. Mr. *Lawson*.] From the published accounts of the City, are you able to state whether these markets are a paying concern as a matter of business?—Yes, I can state that. I have not looked into that question lately, but I can tell you.

725. I believe they save a net surplus, after their charges are paid, of some 22,800 *l.*, something of that sort in the year; and what I wish to ask you is this: Whether, even admitting the City figures, it is a just thing to indemnify the City for money which has been put into a profitable investment?—Certainly not; I should think that follows.

726. *Chairman*.] I am afraid that there is some mistake about this, that the cost of the Farringdon and Fish Markets is in this 740,000 *l.*?—I have never made a suggestion approaching that.

727. But I understood you to say that you thought it very likely that the cost of these markets was part of the debt?—No; money on account of the sites of the markets, but not the whole cost of building those markets.

728. But money borrowed on account of them. I think there is some mistake?—In the case which I read it is set out here in the Act. It says, The Corporation may add to the Farringdon Market here.

729. I think if that is made a point of we must call the City Chamberlain?—I do not make a point about it further than this: that if the accounts of the City are put in and become in any event material, I think we are entitled to have the exact expenditure, the extent of their estates, and their revenues

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absolutely and completely enquired into by a competent authority, as they were when they came to Parliament with a debt for the same amount 200 years ago.

730. It is not important that we should elicit the fact now whether part or any considerable part of that 743,000*l.* has been incurred in improving these markets. I think we will call the City Chamberlain after you have done in order to ascertain that point, for it is an important one?—I apprehend the site of the new Fish Market is part of the Holborn Valley Improvement.

731. Mr. *Lawson.*] I do not understand you to allege that any part has been spent upon the erection of markets?—No, I never suggested that for a moment; not in erection.

732. *Chairman.*] That is what I understood?—No, I answered the question of Sir Richard Temple as best I could, but I did not suggest erection for a moment.

733. In erection or improvement?—Or alteration? No, except as regards ground.

734. Mr. *Hargreaves Brown.*] There is a small piece taken off for the straightening of the road?—That is the reference in this section, but that is the Farringdon Market, that does not mean the Farringdon Fish Market, but the other market on the other side of the bridge.

735. *Chairman.*] You wanted to make an observation upon the Kew Bridge claim to the surplus?—Yes; I see that in the evidence that has been given before the Committee the statement is made by the Chamberlain that they claim in addition to 375,000 *l.* against us by a new tax, that in some other form there is due to them the 100,000 *l.*, which is the surplus of the Kew Bridges Act. Now, I think, the Kew Bridges Act is very important as corroborating what Mr. Ayrton told me (he was the Chairman of the two Committees of 1861 and 1866, and was more familiar with this matter than anyone in Parliament) that it was the intention of Parliament, and thoroughly understood on all hands, that the dues in every form should cease on the 5th July 1889. If that were the understanding the Act of Parliament is consistent with it; if it were not the understanding it is not so consistent with it, because the Kew Bridges Act provides that the dues may be extended for one year from the 5th July 1888 to 5th July 1889; and then it provides for the constitution of a Joint Committee, and provides for the appropriation of the whole of the income, and of the whole of the surplus, without in any way recognising in any sense or at all the existence of the prescriptive right. If Parliament had intended or contemplated the resurrection of the prescriptive right nothing can be more probable than that in the Act of 1869, which contemplates a surplus on the Kew Bridges Fund it would have said that that surplus should be available for the City. What it does say is (it in Section 8 of the Kew Bridges Act, 1869, that “The London coal and wine duties for the year ending 5th day of July 1889 shall be paid to the Joint Committee.” They are still collected by the Corporation; and the Corporation, in theory, if you can put a true construction upon the evidence that has been given, claim a right of some kind, a prescriptive right, as arising directly the purpose of this Act is carried out. Now then, that being so, Parliament would not have said that the whole of that would have to be paid to the Joint Committee which it does; that is to say, that the City would have to pay something which they suggested they should receive into another hand. Then it goes on to say, “and shall be applied by them in defraying the expenses and discharging the liabilities incurred by them in the execution of this Act; and should there be any surplus remaining, the same shall be applied as Parliament may hereafter direct.” There is at present, I apprehend, no intention of giving that to the City of London; but here is a complete appropriation of the whole of the dues for that year, without the slightest regard to these claims on the part of the City; and even providing that, if there should be a surplus, it should be applied as Parliament shall direct. Well, now, they have, it is quite true, made some claim which I believe they rest upon a clause in one of the later Acts, I think the 32nd section of the Act of 1872, in which it says at the 31st clause that the Corporation may borrow at interest upon the credit of the 4 *d.* coal duty, and of their estates and revenues as giving them something inconsistent with the other clause.

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[Continued.]

clause. That is very properly considered to be a question of law, and not a more difficult question of law than a dozen questions that I have called attention to to-day ; but the Chamberlain has spoken of it as a question which may be decided by a court of law.

736. In any case Parliament may decide what it chooses in reference to any surplus that may exist?—It may give it to anybody.

737. There is no definition there?—No.

738. Mr. *Lawson*.] Your contention is that it should be put at the disposal of Parliament, and not disbursed, as the City may direct under the Act?—There is a power under the Act ; I should contend, if I made any contention, that it should be distributed rateably over the districts that paid it.

739. *Chairman*.] Now then, as a reasonable man, would you not think that as it had arisen out of coal dues, and there is a large debt remaining by the City on account of metropolitan improvements, or London improvements if you like, it might be a thing for the consideration of Parliament whether that surplus might not be used in mitigation of this large debt?—Well I said at the beginning that I was perfectly certain that the London Council would be extremely glad to do perfect justice all the way round. If in the opinion of Parliament the necessities of the City are such that they ought to be relieved at the public expense, I think we would let that go without much objection. I perhaps might hand in on one sheet of paper how I summarise the case. That with respect to railway and inland coal : I say first there is an adequate supply of untaxed coal, if nothing is done on admitted law ; second, that the exceptions are untenable ; that they depend on the Canal Clause which is gone, and that they are repealed by the Act of 1845, and cannot revive. That the ordinary statutory dues since 1831 die on Friday ; that the statutory dues under the Orphans Act are in the first instance trust property, as admitted by the City ; in the second place, they must all come to an end with the funds for which they were given. Then as to the prescriptive and chartered rights on seaborne coal : first, that they are gone under the Conservancy Act ; secondly, that if they are not gone then the 8 *d.* must be confined to Scotch coal, of which there is practically none ; and that as to the 4 *d.* if they got it the amount is very small because of free supply in other ways ; but they cannot get it because they must measure, and measuring is in the first place impracticable, and in the second illegal.

Mr. ROBERT WATSON COOPER, re-called ; and further Examined.

740. *Chairman*.] THERE are some points of fact you wish to explain?—Yes, because they will assist the Committee in arriving at something like a just conclusion. First, with regard to the evidence given by the City Solicitor, in which he suggested with reference to the Great Northern and the Midland Railways, while he admitted that in their Acts of Parliament there was no clause, as there was in other Acts to which I drew the attention of the Committee, imposing these duties on the railways, possibly some of the coals brought by these railways might be got in by means of running powers. I think it right to state, in the first place, that I have made specific inquiries from the General Manager of the Great Northern Railway as regards his Company, and from the solicitor of the Midland as regards his Company, and they entirely confirm my previous impression as I drew it from reading the Acts of Parliament of those Companies themselves. The Midland Company's adviser informs me that the Midland have no running powers over any other lines between the collieries and the London districts ; the Great Northern Manager informs me that his Company only have running powers over the Metropolitan Railway and the North London Railway ; and I think I may safely say with regard to those two railways that there are no clauses in existence such as there were in the case of the other railways I drew attention to.

741. Mr. *Lawson*.] They both obtained their Acts after 1845?—That is so ; that is with reference to the City Solicitor. Then with regard to the honourable and learned Member who preceded us, he told the Committee that the clause in favour of the Corporation inserted in the London and Birmingham

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Mr. COOPER.

[Continued.]

Act of 1833 has been repealed, and that therefore it did not now affect the North Western Railway Company, which is now the successor of the London and Birmingham Company. That is not so, because in the repealing clause which repealed the London and Birmingham Act on amalgamating the London and Birmingham Railway and the other railways, forming them into the North Western Company, there is a proviso which I will read to the Committee; it is so plain that it requires no legal comment from me at all: "Provided also, that, except as is herein otherwise specially provided, or except so far the same may be repugnant to the provisions of this Act, nothing herein contained shall extend in any way to defeat, affect, or prejudice any rights, privileges, liberties, powers, easements, accommodations, or exemptions which, under or by virtue of the said recited Acts" (the London and Birmingham being one) "or any of them, are given, granted, continued, or reserved to or for the benefit of any persons or corporations whose estates, properties, or interests are, have been, or may be in anywise affected in or by the making or maintaining or otherwise on account of the railways, branches, and works by the same Acts respectively authorised to be made and maintained, or to which such persons or corporations are or may be, or but for the repeal of the said recited Acts would have been, otherwise entitled; but all such rights, privileges, liberties, powers, easements, accommodations, and exemptions shall be, and they are hereby declared to be, as valid and effectual as if the said recited Acts had not been repealed; and such several persons and corporations shall be entitled to and shall have use, and enjoy the same rights, privileges, liberties, and powers, easements, accommodations, and exemptions, or such and so many of them, as immediately before the passing of this Act they were entitled, or as by for the passing of this Act would hereafter have been entitled to have, use, and enjoy, as fully and effectually as if the said Acts had not been repealed, and shall and may have and be entitled to such or the like powers and remedies upon and against the said company hereby incorporated for securing the possession, use, and enjoyment of such rights, privileges, easements, accommodations, and exemptions as, under the provisions of the said recited Acts, they had, or were, or would, or might have been entitled to against the said dissolved companies, or any of them, in case the recited Acts had not been repealed, and all such penalties, damages," &c., shall be applicable. That is one point I wished to clear away before the Committee. That is the North Western Act of 1846.

742. *Chairman.*] It was the year after the General Power Act?—That was so.

743. *Mr. Lawson.*] But did not Mr. Firth say that the London and North Western case was dependent upon the interpretation of the saving clause in the London and Birmingham Railway Act?—If that was the case, I misunderstood Mr. Firth, and I must express my regret. I did not so understand his answer. Then with regard to the Thames Conservancy Act, as I endeavoured to show in the case which I put before Sir Horace Davey, it seemed to me that the Thames Conservancy Act only referred to harbour rights, nothing more nor less; the Act was before Sir Horace when he gave his opinion. With regard to the point made, that seaborne coal might come to Southend, and be carried by the Southend railway, I would point out that the railway rate from Southend into London would add probably very considerably to the cost of carriage of the coal. With regard to the Canal Act, there is one observation I should like to make. By Section 65 of the Act of 1831, it is declared that in case the duties imposed by the Act of 1831 should cease, with regard to the duty of 1s. 3d. imposed by the Act of 6 George 4, c. 111, the Corporation shall be entitled to that duty "in as full, ample, and beneficial a manner to all intents and purposes as if this Act had not been made." With regard to the other railways, the Great Western, the South Eastern and the Eastern Counties, and the South Western, the clauses were contained in Acts which were the original incorporation Acts of those companies; and, as I told the Committee on Thursday, those clauses have not been repealed. The only question in my mind is whether impliedly they have been repealed by the Act of 1845.

744. You gave it then as your opinion that they were?—I said the balance of my opinion was that they were.

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MR. SAMUEL BAGSTER BOULTON, called in ; and Examined.

745. *Chairman.*] THE Committee have resolved not to take evidence upon the general impolicy of the coal dues ; the House has passed the Second Reading of the Bill which implies that ; we do not, therefore, want evidence upon it ; but we will be glad of your evidence upon the impolicy, if you think it impolitic, of continuing for any period, however small, the coal dues. What are you by profession ?—I am the senior partner in manufacturing firms in West Ham, and also at Rotherhithe ; but I come here more especially to-day as a member of the Council of the London Chamber of Commerce.

746. And the Chamber of Commerce wrote to me, as chairman, asking that some representative might be sent by them ?—That is so.

747. Has the Chamber of Commerce any strong view that the City is not entitled to compensation of any kind for the debts which they have incurred by the Holborn Viaduct Improvement ?—The Chamber has not entered into that question at all, it has merely considered the policy of the tax as it exists, and with reference to the operation which it exercises on certain branches of industry ; and as you have asked that we should confine our attention to the question of continuing or not the 4 *d.* or 8 *d.* duty, I have endeavoured to bring some facts to bear upon that special question.

748. Would you kindly state your view upon that ?—I may say that the London Chamber of Commerce has for years been collecting information ; and that this matter has been brought before them very prominently by members of the Chamber ; it has also discussed the question in connection with the Associated Chambers of Commerce of the United Kingdom, and I was at the last meeting of those Associated Chambers asked to represent the London Chamber ; we discussed the matter then at great length, and the Associated Body of the United Kingdom came to an unanimous conclusion as to the incidence of the tax being very obnoxious, and as to the great damage that it was doing to different branches of industry.

749. That we are fully aware of ; but my question is : if any compensation is to be given to the Corporation of London for what they consider prescriptive or chartered rights abolished ; have you any particular view as to the inconvenience of making that compensation by any temporary renewal of the 4 *d.* tax ?—Yes, we have a very strong opinion upon that subject. The view is that as the tax in the past has been exceedingly detrimental to certain branches of industry, and is almost in fact extinguishing some of them, so we think that any temporary continuation of these dues will have that effect, and we should view with great anxiety an extension for even twelve months of that particular method of collecting a tax which might, for instance, if we had (God forbid we should have) next winter any check to the revival of industry, now taking place, send a number of workmen out into the streets. We have therefore asked you to take some facts from us on that matter.

750. What the City Chamberlain, and also the Chairman of the Finance Committee suggested was a renewal for two years ; but supposing it be renewed for one year or two years, or whatever it might be, a charge of 4 *d.* would not be so much detriment to the industries as a charge of 1 *s.* 1 *d.* ?—Undoubtedly 4 *d.* is better than 1 *s.* 1 *d.*, but 4 *d.* is very abominably bad, and I will show why.

751-2. But the whole thing has been “abominably bad” in your view since it was established by prescriptive right ?—That is so ; but it has got worse and worse by the growth and establishment of special manufactures in particular districts. Of course, if the thing were to be done *de novo*, it would be never instituted at all, but it has grown so intolerable, that if any compensation is to be given we venture to ask that the Committee will not do it in the way of imposing these heavy taxes.

753. Supposing it were necessary to prevent insolvency upon the part of the City of London, would you think it a fairer way to put a rate upon all City property, including industrial factories, if there is any claim for compensation at all ?

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MR. BOULTON.

[*Continued.*]

all?—There is no doubt that an all-round rate for a very small sum would give all the City ask, whereas the rate continued in the shape of coal tax is intolerably heavy upon certain industries.

754. Would an all-round rate include what Mr. Firth calls “we” and “they”?—If necessary; we would rather it did not include us.

755. Would you think it fairer to have a rate to pay these debts upon the City alone; not upon the whole Metropolitan area, but upon the City alone?—Speaking on behalf of the Chamber of Commerce they have not come to a decision on that matter, therefore it would be hardly fair for me, perhaps, to answer that question, but what we do say is this: that we, the outsiders, the large manufacturers outside the City; who undoubtedly do not derive (if we derive any at all) anything like the same amount of good from the City Improvements that persons within the City do, have nevertheless to pay a great deal more for those improvements and 10, 20 and 50 times; and in some cases 100 times more for those improvements than the very people within the City of London, who use them every day and whose property has been improved thereby.

756. Then I gather from that, that you think that if any compensation ought to be given for an abolition of rights, it should be merely obtained from the inmates of the City itself?—I did not say that exactly, because I am not authorised to say that on the part of the Chamber of Commerce; but certainly a very small rate even, on the whole Metropolitan Police area would do away with this inequality which at present exists. Perhaps to explain my meaning I may give a few figures. I am now referring especially to what a 4 *d.* rate would do to certain industries; I take it that that rate if it were extended would be collected over the whole of the Metropolitan Police area; that area has a rateable value of 38 millions gross, 31 millions net, and in the figures I am going to quote as to the incidence upon the particular industries I will quote the net.

757. Mr. Lawson.] Are you taking the Metropolitan Police area?—I am talking of the Metropolitan Police area because that is the area over which at present the coal tax is collected. Now if we take a 4 *d.* due as collected on coal and compare it with, as I brought it out, 138,000 *l.*, but I hear from evidence in this room that it is now estimated to bring in 143,000 *l.*; however, take it either at 138,000 *l.*, which was a former estimate of mine, or 143,000 *l.*, the estimate of the gentlemen for the City, that will at any rate come to something less than a penny a pound upon the whole assessment. Now even if “we” (using Mr. Firth’s expression) admit that we ought to pay for the Holborn Viaduct or for the debt upon it, even if it is admitted that we outsiders, those in the borough of West Ham, or large manufacturers six or seven miles from London, have to pay our proportion, we should have to pay our proportion, but not more. If you said that the whole of this area had to pay something under a penny in the *£*. (I make it about 0.93 *d.* in the *£*.) then you might fairly say to us, As the dues have been estimated and the expenditure incurred upon the idea that they were useful to the whole area, then you should pay your shares. If we paid our share, we should pay our penny in the pound. But how much are we paying, and how much shall we pay on our factories if you continue this for another twelve months? I will show you. If you extend this 4 *d.* for another twelve months, I will quote you here from some figures which the London Chamber of Commerce has taken great care in collecting. They got them from various firms. These are typical cases; we have 73 large manufacturing firms who met at a large meeting in April twelve months. Since then the Chamber of Commerce has asked for information, and we have selected from a vast number certain typical cases. I should trouble you mostly with these cases from West Ham, because West Ham is a neighbourhood by itself; it is one of those neighbourhoods which has sprung up altogether as a manufacturing and populous district within the last 35 years; it is a dense population, entirely of workers; there is no residential property there at all; these workers in factories were first attracted by the Victoria and Albert and other docks, and now factories are existing, and the whole of that populous district lives by labour; that is to say, the people live by coal; if you remove their coal from them they starve; if you diminish their supply of coal they must suffer, and the coal

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Mr. BOULTON.

[Continued.]

coal is to them as necessary as bread is to keep them alive. Taking that as a case, you will be prepared to suppose that this industrial population which uses coal pays a larger proportion of the coal due; that is to say, pays a larger proportion to these metropolitan improvements of which it gets so little benefit than even those within the area of the City. But I think the Committee will be surprised when they find how very large that proportion is. Taking a number of factories, I have got here 12 factories in the borough of West Ham, beginning with those of smallest amount. I have here a firm, a chemical company, which uses 3,699 tons of coal in a year. Now, then, that 1 s. 1 d. per ton used to be equal to a rate of 1 s. 10½ d. in the pound, according to the value of their assessment; this is a manufacturing firm, and their factory is assessed to the Poor Law, on which they pay taxes in their neighbourhood at 2,100 l. If you compare the amount of coal duty which they will pay on the 4 d., it amounts to 7 d. in the £. on that factory as compared to the 1 d. in the £., the average of the whole Metropolitan Police District; but we will go upwards or downwards as it may be. I come to other factories where the coal dues come to 10½ d. in the £.; 11 d. in the £.; 1 s. 4 d. in the £.; 1 s. 7½ d. in the £.; 4 s. in the £.; 5 s. 7½ d. in the £.; and I will take if you wish the strongest case, that is, the heaviest amount; but I am prepared to give information upon all the others as well. The heaviest amount is in the case of a sugar factory; they use 49,000 tons of coal a-year; the amount of their assessment to the poor rate is 2,932 l., and the coal due comes to them at the rate of 5 s. 7½ d. in the £. There is another sugar factory, and one whose coal due comes to 4 s. in the £. (I am always taking it on the 4 d.); and there is a third sugar factory that I wish I were in a position to quote; it was conducted by a man whose name is well known for honourable enterprise, and as a pioneer for introducing that industry into the East-end; he paid 2,000 l. a-year coal dues. Unfortunately that factory has gone down beneath the waves of competition; that factory has been closed for some three years.

758. Mr. *Hargreaves Brown*.] A sugar factory?—Yes.

759. There may have been other causes for a sugar factory closing?—There may no doubt; but I have given three sugar factories, two of which are still existing.

760. The other factories that are not sugar factories have not gone down under the tax?—They are still struggling. We do not say that the whole of the East-end of London has gone into the Bankruptcy Court. What we say is this: that we are suffering very greatly from this duty, which is a very heavy impost upon us, and we ask to be relieved from it; and we say that it is the turning point in severe competition; that 2,000 l. a year or 800 l. a year sometimes is the turning point where a man says that it is wiser to close his factory than continue it.

761. *Chairman*.] And you have felt the pressure of these dues for a good many years?—The pressure has been felt for a good many years, but the competition of late has increased very much. Now I will speak of other factories. I will speak of sawmills, in which I have a large interest.

762. Mr. *Baumann*.] Where?—I have two large sawmills in Silvertown, another also at Rotherhithe, on the Surrey side of the river. I have been engaged in that district for about 35 years.

763. *Chairman*.] Do you use much coal in that?—Undoubtedly. Take some of the rougher kinds of sawing; for instance, railway sleepers; I take it that for every 2 s. you spend on labour you spend 1 s. on coal; so that you see the coal is a great item indeed. I am authorised by a gentleman in the room who owns sugar factories, to say that in the manufacture of one ton of sugar, it takes them a ton to a ton-and-a-half of coal. So that you see the coal is really a very important factor indeed in the cases of these trades, in the sugar trade as in the timber and sawmill trade, we are under very keen competition with foreigners now in sawn goods. If you look, say at a dozen waggons loaded with timber, which may come over London Bridge, and may use the Thames Embankment, or any other thoroughfare, of those 12 waggons you will find that at least 10 are loaded with timber which has been sawn abroad, in the Baltic ports, Memel, Dantzic, Norway, Sweden, a good deal of it sawn by water power. The other two

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waggon-loads may be sawn, perhaps, in London saw-mills. Now you make people pay for that Thames Embankment, or the debt upon it, but how do you do it? If you continue this 4 *d.* due, you discriminate between the foreign-sawn timber and the English-sawn timber, to the detriment of the latter.

764. *Chairman.*] But we are getting too much into the general objection to the tax, which we all admit. I think I understand clearly your view; that you think it would be still oppressive upon the trade if there was one year or two years' continuance of the coal duty?—If it were collected in the shape of coal due, we think it would be oppressive, certainly.

765. *Mr. Lawson.*] You said in answer to the Chairman that the tax had been abominably bad from time immemorial; but is it not the case that at the present time London manufacturers feel it more than they have ever done, in consequence of the ever increasing competition and communication of trade and industry?—That is the case. I will give an example from chemical works that I am interested in. I have chemical works at Silvertown, and the coal used in them is considerable in quantity. The chemicals manufactured, as also those of some of my neighbours, are in keen competition with those manufactured abroad. I would take the tar products, for instance, very well known products in connection with chemical industry. Formerly we used to bring to those works tar, not only from the neighbourhood of London but also considerable distances, in tank steamers; I have brought tar as far as from Antwerp and Amsterdam. I have found, in late years, that it has been quite impossible to manufacture products from these raw materials at Silvertown, and in order not to lose this business altogether, I have been obliged to erect other works in Belgium, where the geographical position is better, where the coal scarcely cost me anything more than it does in London, and where the labour is very much cheaper.

766. *Chairman.*] This is the competition of the world that you are going into now?—It is an answer to Mr. Lawson.

767. *Mr. Lawson.*] Is it not probable that the reduction of the duty which is proposed from 1 *s.* 1 *d.* to 4 *d.* would for a time produce a great deal of confusion, and disorganization in the trade, and the consumer might not for a time get the full benefit of the reduction?—That is possible. We feel that this is a nightmare hanging over us, and that there is no finality to it, and if it is granted for another two years we are afraid that the City will come forward and ask for another prolongation.

768. *Chairman.*] But the nightmare of 4 *d.* is not quite such a heavy nightmare as 1 *s.* 1 *d.*?—That is so, of course.

769. *Mr. Lawson.*] It is sufficient to disturb your sleep?—Quite sufficient to disturb one's sleep.

770. Have you expressed your personal view or that of the London Chamber of Commerce when you said that a general rate of 1 *d.* would be preferable to a 4 *d.* a ton rate?—That is my own personal impression; I do not speak with the authority of the London Chamber of Commerce as regards that. As regards the meeting of that difficulty, if difficulty there be, the London Chamber of Commerce has not considered that, but they have considered another method; it has suggested that in the event of a temporary renewal, drawbacks might be allowed on coal used for industrial purposes.

771. *Mr. Baumann.*] You have given evidence about Silvertown and West Ham; but this is a question concerning the whole metropolis, and I will put this to you. Is not West Ham a very exceptional district, inasmuch as it is the site of several very large factories?—It is exceptional in the fact that it is all industrial property.

772. London is not, as a metropolis, is it, the seat of staple industries?—It is becoming more and more so every year. West Ham has grown up in the last 35 years.

773. But that is only a corner of London; in what other parts of London do you find large factories?—By looking across the river I can give you one, Sir Henry Doulton's. I selected West Ham, because there we have a number of factories together, but there are many others.

774. *Mr. Lawson.*] Did you not give in evidence your own sawmills?—Yes, at

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Mr. BOULTON.

[Continued.]

at Rotherhithe ; we could produce evidence from north, south, and every district where the manufacture goes on, if the Committee wish.

775. Mr. *Baumann*.] Have you ever considered the case of the occupiers in London who have to pay very heavy rates ?—Undoubtedly, I have ; I am myself an occupier in London, and I can give you facts if you wish. I have compared these assessments, and I will give you one instance in a few seconds. I will take a house in Cannon-street ; Cannon-street being one of the City Improvements. This house, I ought to know about, because it belongs to myself. The assessment of it is 1,667 a year ; that is the rateable value.

776. What are you going to prove ?—That that house, and the houses of bankers and merchants and private persons in the City do not pay their fair proportion of the City improvements.

777. *Chairman*.] That is beyond our Reference just now ?—I was answering the honourable Member's question.

Chairman.] But it is extending it beyond our Reference altogether.

778. Mr. *Lawson*.] But as a London manufacturer, from your own knowledge, can you tell me whether a tax of 4 *d.* for two years would not in a large degree fall upon the operatives you employ ?—No doubt it would by diminishing that employment ; many articles which we manufacture we can only sell under the stress of extreme competition. If our coal costs us so much we cannot manufacture it, and it goes abroad.

779. Mr. *Baumann*.] At the present time you employ so many men at 1 *s.* 1 *d.* a ton, it is now a question not of 1 *s.* 1 *d.* a ton, but 4 *d.* ; do you mean that if 4 *d.* is continued you will employ less men than you did under the 1 *s.* 1 *d.* ?—No, I never said that ; I said that 4 *d.* was bad, but 1 *s.* 1 *d.* was worse. Under the 1 *s.* 1 *d.* we no doubt have been forced to diminish the employment of labour. May I say, before I leave, that I have studied the question, and the Chamber has studied the change of the incidence of this 4 *d.* upon the artisans who use coal, and who work in their own places.

780. *Chairman*.] That is upon the whole general question ; you have got information upon the incidence of the taxation which everyone admits is a bad one.

MR. ROBERT CRAWFURD ANTROBUS, called in ; and Examined.

781. Mr. *Baumann*.] ARE you a member of the London County Council ?—Yes.

782. Mr. *Lawson*.] Do you appear here on behalf of the London County Council ?—Certainly not.

783. Mr. *Baumann*.] Have you been for five or six years a member of the Vestry of St. George's, Hanover-square ?—Yes.

784. Have you had some experience of municipal affairs in London ?—Yes.

785. Do you consider, as a member of the vestry, and as a gentleman with experience in municipal affairs in London, that the Holborn Valley Improvement is a metropolitan improvement benefiting the whole metropolis ?—Most essentially ; nothing is, if it is not.

786. Do you consider that being so, that it is fair or equitable that the whole of the outstanding debt contracted for that improvement should be thrown upon the Corporation of London ?—Most unfair, in my opinion ; subject to their proving to your satisfaction certain rights.

787. Do you think that there is an equitable claim upon the outside metropolis for a portion of this debt ?—So far as I am acquainted with the facts, most decidedly.

788. Do you think if that should be decided that it would be more convenient to the Metropolitan ratepayers that a fourpenny duty should be continued for two years or for a limited period, or that they should pay their share of the debt by means of a direct rate ?—I think, looking at the convenience of the ratepayers in London generally, that a modified rate, a reduced duty of 4 *d.* for such period as it might be fixed for, would be much more approved of by the ratepayers generally than a special rate fixed for that purpose.

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789. Mr.

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Mr. ANTROBUS.

[*Continued.*]

789. Mr. *Lawson.*] You said you were on the vestry of St. Georges', Hanover-square; do you appear on behalf of the vestry?—No, certainly not; I have been asked to come here.

790. I do not know whether you appear on behalf of the City bondholders, do you?—I appear on behalf of no one.

790*. Are you a City bondholder yourself?—No, certainly not.

791. Are you of opinion from your knowledge of the metropolis outside the City, that it would be generally thought a fair and just thing that all the inhabitants should contribute to indemnify the City in regard to its debts on the Holborn Valley Improvement scheme?—I do; thinking it is a metropolitan improvement. I believe that would be the view of the majority of the inhabitants of London; the ratepayers, certainly.

792. Although they had no part in deciding its initiation, or conducting it through its various stages?—Certainly, it was carried through by the authorities to whom it was committed at the time.

793. On the application of the City, for the City?—But for the benefit of London as a whole.

794. Are you aware that a great deal of land was not wanted for what might properly be called the metropolitan part of the improvement?—I am not aware of that.

795. Were a payment of some form of compensation proposed by the Treasury out of the National Expenditure, in preference to a renewal of the tax, do you think that London would be in favour of continuing the tax?—London would escape a large proportion of the payment in the first case; I think it is a thing that should fall on London particularly.

796. And on the Metropolitan Police area outside London?—The Metropolitan Police area do not contribute, I think, to repay the debts borrowed for the purposes of that improvement.

797. They pay the 4 *d.* for the coal-tax?—They pay that I know; but I do not think they share in repaying the loans raised for improvements in the Metropolis.

798. Do you think it is a just thing that people dwelling within the Metropolitan Police area, 15 miles radius, should pay towards the liquidation of that debt?—They pay the coal dues at present; if they pay towards the liquidation of the debt of London I should think it would be fair.

799. Are you not of opinion that before any recommendation of the kind is made there ought to be an independent investigation of the City accounts and a valuation of the property at present in its hands?—I do not think that has anything to do with the question; it is a distinct claim upon a distinct subject.

800. There are certain accounts put before us, and on one side there are assets; do not you think that we ought to have some better means of calculation than this document affords?—I assume that the amount of the claim is properly proved.

801. And also if it is proved to our satisfaction that money has been invested in a profitable manner, the results of which do not appear in this balance-sheet at all?—The City authority are bound to prove that they can claim for a balance; that they have properly spent money under the authority committed to them.

802. *Chairman.*] Have you any official connection with the City?—None whatever.

803. Then you are speaking as an individual inhabitant of London, having taken an intelligent interest in local affairs generally?—I hope so, in that capacity.

804. And being a member of the County Council and the vestry?—Yes.

805. And it is in that capacity that you think that Londoners would not think it unfair that a certain amount of compensation should be granted to the City on the termination of the coal dues?—I feel positive myself that the great majority of reasonable people would feel no objection; that they would think it only fair and right.

806. Mr. *Hargreaves Brown.*] And specially allocated to this particular debt of the Holborn Valley?—Yes.

807. Mr.

1 July 1889.]

Mr. ANTROBUS.

[Continued.]

807. Mr. *Lawson*.] Are you aware that the number of the members of the London County Council who supported you in regard to the payment of this money to indemnify the City was very much smaller than that in favour of renewing the coal dues for the whole metropolis?—I do not understand the question.

808. From your knowledge of the London County Council would you say that any considerable number of members are in favour of renewing the coal dues for this particular purpose?—Those who are in favour of the coal dues at all in the Council are in a considerable minority altogether on the question, no doubt.

809. Are you aware that of that minority several were in favour of renewing them for the metropolis, but were against the proposal now before us?—No, I am not aware of that.

810. Mr. *Baumann*.] They had not had the facts before them?—They had not gone fully into them.

811. *Chairman*.] As you are a member of the County Council, could you give us or send to us the resolutions passed as regards this matter?—Yes.

812. You will send them, that we may put them on the Proceedings. Did they not pass resolutions lately upon the question of the renewal of the coal dues?—Yes.

813. And as a member of the London County Council you will give us those?—Yes.

MR. BENJAMIN SCOTT, re-called ; and Examined.

814. *Chairman*.] I SIMPLY wish you to clear up some difficulties which arose about the expenditure upon the Farringdon Market and the Fish Market, which an honourable Member who was here to give evidence thought might be included in the statement which you gave us?—It is quite a mistake to refer to the Farringdon Fish Market at all, which is called by law the Central Fish Market. There has been nothing expended, nor has there been anything under any of the Acts which has touched that market. That market is on the north side of the Holborn Viaduct ; Farringdon Market proper is on the south side, on the side of the street called St. Andrew-street, going down to Fleet-street. In the Act of 1872 that market is mentioned, because in making St. Andrew-street a street of uniform width it was necessary to take a small portion of the market, and to add a small portion to the market, so that the street might be made straight ; the Corporation could give up a portion of the market, but they could not take any portion without an Act of Parliament. (*The Witness produced a plan and explained it.*)

815. What was the cost of the whole of that?—The Comptroller told me that it was nothing ; there was nothing paid or received ; 100 *l.* would have covered the whole thing. There is no connection with the Farringdon Market excepting that.

816. What is the meaning in your sheet No. 2 of the 15,000 *l.* loan raised under the title Holborn Valley and Farringdon Market Improvement?—It was almost entirely to provide better dwellings for the working classes which the Corporation had made in various parts of the City, and the Commissioners of Sewers also had made ; but Parliament, when we came in 1872, said that something more ought to be done for the working classes. Mr. Firth implied that nothing had been done ; but the whole of that 15,000 *l.*, which might have been extended to 99,000 *l.*, but the Corporation did not raise more than 15,000 *l.*, has been practically expended in providing for the working classes. If you look to the “purchase of ground and premises” in the third column you will see that there is 6,600 *l.* for ground purchase. If you look to the sixth column you will see that 9,900 *l.* ; say, 10,000 *l.*, has been expended on the erection of the improved dwellings. As a matter of fact in round figures that 15,000 *l.* was raised to provide accommodation for the working classes who had been displaced by the Holborn Viaduct.

817. Then are these remunerative?—They are remunerative. You see
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1 July 1889.]

Mr. SCOTT.

[Continued.]

by the second column they produced in 1888, 778 l.; and in the last column at the foot, the expenses of maintaining them, repairing, water, gas, taxes, and rates, 331 l.

818. So that they have about 300 l. a year?—£. 300 to 400 l., which is included in the 55,000 l. valuation which I handed in.

819. Sir *Richard Temple*.] Does that include the interest upon outlay?—No, it does not; that is charged on the coal duties which will expire, as we have explained.

820. *Chairman*.] Then to make it quite clear the revenue that you obtain from the Farringdon Market and from the Fish Market has nothing whatever to do with this Holborn Valley Improvement?—Nothing whatever.

821. Mr. *Lawson*.] Was any land cleared under these Acts which has been devoted to market purposes?—Only such a strip a few feet wide, part of the market, as was taken out of the street, and against which some portion was given in to the street so as to make a straight line with St. Andrews-street.

822. Who conducted that exchange?—The Comptroller is our conveyancing officer, and he purchases and sells.

823. It was not submitted to a Parliamentary Committee in asking for that power; I ask for information?—No, it has not been; that would be in the schedule of the Act; but under the 21st clause “the Corporation may lay into Farringdon Market, any land (including the site of any street) acquired by or vested interests in them, under or by this Act, and any land so laid into the market, shall, in all respects, be deemed to be part of the market.” That was a power we took in order to straighten the line.

824. *Chairman*.] Is not the whole question of money involved in that transaction, about 100 l.?—That is so.

825. Mr. *Lawson*.] With regard to the labourers' dwellings in the Holborn Valley Act by Sections 16 and 11 you were authorised to purchase land for dwelling-houses for the working classes?—Yes, they were purchased in the Farringdon-road. They did purchase land and erected a block of buildings in the Farringdon-road under that section.

826. Altogether, I understand, you have expended only 15,000 l. in pursuance of this Act?—Under the Act of 1872.

827. £. 9,000 for erection, and the rest for maintenance, and law charges?—Yes, which balances the account.

828. It was under the Act of 1872?—Yes.

829. Did not you make any provision of that kind under the Acts of 1864 or 1867?—Yes, under one of the Acts provision was made.

830. In both cases you have had authority?—Yes.

831. And in both schemes you cleared a certain amount of property in the hands of the working-class?—Yes.

832. But how much of that sum was expended under the former Act?—I have not got the accounts here in detail, and I could not answer that question without dissecting some one of these accounts.

833. It says here “they shall provide,” and I want to get an idea of the amount of land in the occupation of the poorer classes, and the amount of provision made by the City for their re-housing?—Under the Act of 1864 that would be included in purchase of ground and premises, and under some other head the erection; there has not been a separate entry made in this abstract of that Money has been expended in that object, and all I can say is that there are two sets of lodging-houses, one in Farringdon-road, and the other is called, I think, Holborn Viaduct-buildings. Under the Holborn Valley and Farringdon Market Act they are called Viaduct-buildings; another group of dwelling-houses.

834. In the balance-sheet, have we on the side of receipts everything which has been received in respect of this improvement?—Everything.

835. Under the head of Assets we have all that you now have upon that account?—Yes.

836. Including the present value of the rents?—I have already stated that, and I handed in the accounts to the Committee with my own signature.

837. Did it not strike you that it would have been more satisfactory, from a business point of view, to have had an independent valuation of your property?

—The

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Mr. SCOTT.

[Continued.]

—The Committee can have it, but having an architect perfectly competent we asked him for his. There could be no difference in the valuation excepting those small matters of opinion which affect all professional men.

838. As City Chamberlain you will be able to tell me whether you consider that the City credit in spite of the statements made before this Committee, is still so good as to enable you to keep their bonds at their original value in the market?—I have already stated that, that the City's credit is good and is sufficient to meet all their liabilities, but that is no reason why they should be deprived of that which is their due; and which is due to their bondholders to a certain extent.

839. Could you tell us how much you calculate the expenditure was on the Farringdon-road buildings required under the Acts of 1864 and 1869?—I have just said that it is involved in the larger figures. I have not the accounts brought down. I brought down five years' accounts on the last occasion, but not knowing that this question would be raised I did not bring them again.

840. In these Holborn Valley Improvements were there many of the working classes displaced?—I have hardly authority to answer that. We should call Colonel Heywood, who was the engineer. I have been at Guildhall receiving and paying monies as treasurer.

841. You did not follow that?—No, there were undoubtedly some; but the City generally is not a place for the working classes; property is too expensive.

842. Sir *Richard Temple*.] But did not these clearances largely consist of frontages, for which expensive compensation had to be given?—Yes, the main work was the making of a viaduct from Skinner-street, Snow-hill, on to Holborn-hill; the whole of that was frontage.

843. In the street now known as St. Andrew-street?—It was nearly all frontage; on the right hand side all frontage.

844. The street now known as Charterhouse-street?—I cannot speak of that with certainty. That neighbourhood has been so pulled about by the building of the Central Meat Market, that I do not recollect how the streets ran.

845. Mr. *Lawson*.] Was any part of Charterhouse-street taken for the purpose of improvement?—I am not quite clear. The side street from Skinner-street down towards the Central Meat Market, certainly touches Charterhouse-street, whether it went beyond that I could not say.

846. Under your last Act there were two clauses in which you had to give the usual notices if you took the houses of the labouring classes; do you recollect how many notices were served?—No, it is not in my department. There is the conveyancing officer, the comptroller, who would be able to state that.

847. *Chairman*.] Is Colonel Heywood present?—No, he is not. I was going to direct your attention for one minute to the Act of 26 & 27 Victoria, chapter 46, the recital of which first refers to the making of the Holborn Valley Improvement. In the recital it is thus stated: "And whereas it would greatly conduce to the convenience of the public and to the accommodation of metropolitan traffic if alterations and improvements were made in and adjacent to Holborn-hill and Skinner-street by the raising of Holborn Valley." I quote that because it has been continually contended that this was a local improvement. Gentlemen who are old enough will recollect that there were two very steep hills, that omnibuses could not traverse the north-western parts of the Metropolis without relays of horses to take them up one hill or up the other hill; and this improvement bridged over that Valley, so that now there are more than 100 omnibuses which run through that improvement. Some of them many times in the day. I live further north-west, and the whole of that district of Oxford-street, New Oxford-street, Hyde Park Corner, Edgware-road, Kensington and Bayswater was all opened up to traffic which could not exist before; and, I point out that this is for the convenience of the public and the accommodation of Metropolitan traffic. It was an improvement arranged by the Corporation with Parliament for the benefit of the Metropolis as well as the City. There is no doubt that part of it has been beneficial to the City; it has brought an enormous amount of traffic in and they wear out the roads, and the amount for reparation of the roads is very serious in the City.

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848. Mr.

1 July 1889.]

Mr. SCOTT.

[*Continued.*]

848. Mr. *Lawson.*] Under that Act, I believe, only half a million was authorised to be borrowed or spent?—This is the recital to the commencement of this improvement, and explaining that it is for the good of the public. Twice after that there were powers given, but it was not necessary to recite it again.

849. It has never been conceded, I understand, that the expenditure under the first Act was otherwise than for a metropolitan improvement?—The whole of it was beneficial to the metropolis; there is no question of that. There are two or three other questions as to which I should have thought it right to give my correction to what Mr. Firth has said if the Committee had had time. If you attach any weight to the evidence I could be re-called, perhaps.

850. Are they new points?—No. There is one point that affects me personally. In my evidence before the Select Committee in 1861 I put in the proof of what the City's rights were. If these rights revived, I stated then, as I state now, that if we weighed coals we should be entitled to 8 *d.*; if we measured them we should be entitled to 4 *d.* The honourable Member quoted my words that it would not be honourable to claim 8 *d.* It would certainly not have been honourable for me to have claimed 8 *d.* in the year 1861, because we had commuted our duty for 4 *d.* on the ton. Why I was bringing forward the 8 *d.* was to show what our right was as a prescriptive right, and I stated that it would not be honourable then to take 8 *d.* But you will see that the thing is very different now when the duty has come to an end, and we state plainly that we must weigh the coals according to the custom of the trade, we should be entitled to the 8 *d.*, which the Charter says must include labour and the provision of scales and weights. That would be a troublesome thing; they would have to be brought on to every vessel if weighing took place. There were one or two other matters as to which, if you thought it right to ask any questions about them I should be very happy to attend again. I know your anxiety to to bring the matter to a close.

851. Mr. *Lawson.*] Can you hand us in the account of the Farringdon-road Buildings, which I am informed, cost some 30,000 *l.*?—I have no doubt that that could be obtained.

A P P E N D I X.

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A P P E N D I X.

APPENDIX, No. 1.

PAPER handed in by Mr. J. F. B. Firth, M.P., 1 July 1889.

COAL DUTIES (LONDON) ABOLITION BILL.

THE following is the Resolution of the London County Council, passed 25th June 1889, and put in yesterday by Mr. Harrison, the Chairman of the Parliamentary Committee :—

“That this Council, representing much of the district that would have to pay coal tax, and being prevented by the Local Government Act from expending money in preparing and supporting the legal case against the City claim, is of opinion that no alleged claims to take coal dues by charter or prescription ought to be assumed unless they are affirmed by the decision of a court of law; and if any such right should be established, the Council hopes that that right will be dealt with by Parliament in the Session of 1890, in such manner as may seem just, and re-affirms its protest against the claims now preferred by the City in respect of the Holborn Viaduct.

APPENDIX, No. 2.

PAPER handed in by Mr. Benjamin Scott (Q. 825, *et seq.*)

PROVISION for LODGING HOUSES for MECHANICS, LABOURERS, and other Persons of the WORKING and POORER CLASSES under the powers of the Act, 27 & 28 Vict. c. 61 (1864), Section 17.

	£.	s.	d.
Purchase of site - - - - -	15,000	-	-
Erection of buildings, and new wing added - - -	59,782	19	- $\frac{1}{4}$
	£. 74,782	19	- $\frac{1}{4}$

The above expenditure was made out of the City's Funds in 1864-66 and 1880, and quite irrespective of any Coal Dues.

Guildhall, 1 July 1889.

(signed) Benjamin Scott,
Chamberlain.

RETURN to an Order of the Court of Common Council, dated the 29th November 1883, for “a Return of the Steps taken by the Corporation of London and the Commissioners of Sewers of the City of London, in providing Improved Dwellings for Artizans and the Labouring Poor (supplemental to the Return ordered by the House of Commons on the 12th April, 1883),” and that the same when ready be printed and circulated among the Members of the Court.”

I. UNDERTAKEN BY THE CORPORATION OF LONDON.

The Corporation of London appear to have first directed their attention to the subject of improved dwellings for the poor in the year 1851, *i.e.*, 32 years since.

On the 23rd October 1851, the Court of Common Council, on a Report from their Improvement Committee, dated 13th October 1851, referred the subject back to that Committee to carry into execution their recommendation for erecting dwellings for the labouring poor, placing at the disposal of the Committee a sum of 42,469 *l.* 3 *s.* Reduced Three per Cents.

The said Committee accordingly acquired and cleared ground suited to the purpose, under the Act for making a new street to Clerkenwell, at an expense in all of 30,519 *l.* 4 *s.* 11 *d.* Estimates of the cost of erection of suitable buildings were then prepared, but the Court was discouraged by the published results realised, at that time, by ‘The Metropolitan Association for Improving the Dwellings of the Industrious Classes.’ The ground, thus acquired to form a commencement, was subsequently taken compulsorily under the Act of Parliament for constructing the Metropolitan Railway, and further delay consequently resulted; but ground was acquired in the neighbourhood of Farringdon-road, and a contract was entered into in the year 1869 for the erection of four blocks of buildings called “Corporation Buildings,” at a cost, including the site, of 54,568 *l.* Additions were subsequently made, raising the total cost to 59,783 *l.* These blocks accommodated 846 persons.

The Corporation in the years 1866-67 further appropriated two buildings, designed for hotels, at the Metropolitan Cattle Market at Islington, adapting them for lodging houses for the artisan class at a cost, including estimated value of site, of 33,000 *l.*, and accommodating 160 persons.

The Corporation subsequently obtained powers, under the Acts for making the Holborn Valley Improvements, for acquiring land and erecting dwellings for the poor thereon. The amount so expended in the provision of the dwellings, termed “Viaduct Buildings,” including value of site, has been 13,023 *l.*; the number of persons accommodated is 585.

The

* Return, ordered 12th April 1883, and ordered for printing, 20th August, 1883 (No. 331, Session 1883), for “A Return from the Commissioners of Sewers, from the Metropolitan Board of Works, and from such Urban Sanitary Authorities as have received official representations under ‘The Artizans and Labourers’ Dwellings Act, 1875,’ of the number of official representations made to them of the number, size, and locality of the areas to which they relate, &c.”

The particulars of the above, including the accommodation afforded, is shown in the following tabular Statement :—

Dates.	Locality.	Cost.	Number of Rooms.	Number of Families.	Number of Persons.	Average Profit Returns.
1864-65 and 1880.	"Corporation Buildings," in and near Farringdon-road, Middlesex.	£. s. d. 59,783 - -	577	202	846	From
1866-67.	Lodging houses, Metropolitan Cattle Market at Islington, cost esti- mated by the City's Architect.	33,000 - -	120	40	160	3½ to 4
1875..	"Viaduct Buildings," Holborn Via- duct (less rents to date).	13,023 - -	306	118	585	per Cent.
		£. 105,806 - -	1,003	360	1,591	

NOTE. —A Report is now before the Court of Common Council from the Improvement Committee, recommending a further extension of erections for artisan's dwellings on vacant land belonging to the Corporation in and near Farringdon-road, at a cost of about 25,000 *l.*, by the utilisation of a bequest for the benefit of the poor, which is expected to realise that amount.

II. UNDERTAKEN BY THE COMMISSIONERS OF SEWERS OF THE CITY OF LONDON.

No fresh official representations respecting sites in the City have been made since the date of the Return (1st May 1883), which I am directed to supplement; but the Commissioners of Sewers have, since that date (in anticipation of the receipt from the Regent's Canal and City and Docks Railway Company, of the purchase money for the ground which had been cleared on the Golden Lane site), contracted for and commenced the erection of dwellings on the Petticoat-square site, at a cost of 65,500 *l.*

The Commissioners are now engaged in completing such schemes of improvement as, at the date of the above-mentioned Return, 1st May 1883, remained in abeyance, as stated in that Return, excluding, of course, those in respect of which the premises have been rebuilt or put in satisfactory repair, or have been pulled down for railway extension or for erection of the Metropolitan Free Hospital.

Chamber of London, Guildhall,
18 December 1883.

(signed) *Benjamin Scott*,
Chamberlain and Treasurer to Commissioners
of Sewers.

R E P O R T

FROM THE

SELECT COMMITTEE

ON

COAL DUTIES (LONDON) ABOLITION
BILL;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE

MINUTES OF EVIDENCE

AND APPENDIX.

Ordered, by The House of Commons, to be Printed
3 July 1889.

[*Price 9 d.*]

228.

Under

H.—18. 7. 89.

I N D E X.

N.B.—In this Index the Figures following the Names of the Witnesses, and those in the Analysis of Evidence of each Witness, refer to the Questions in the Evidence ; the Figures following *App* to the Pages in the Appendix ; and the Numerals following *Rep.* to the pages in the Report.]

A.

ACCOUNTS (COAL DUTIES). Information in connection with certain accounts produced by witness, showing the proceeds of the duties and the application thereof, *Scott* 139 *et seq.*

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Paper handed in by Mr. Scott showing the provision for lodging-houses for mechanics, labourers, and others of the working and poorer classes, under the powers of the Act 27 & 28 Vict. c. 61; *App.* 83.

Summary of steps taken, respectively, by the Corporation of London and by the City Commissioners of Sewers for the provision of improved dwellings for the poor, *App.* 83.

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Ayrton, Mr. (the late). Statement by Mr. Ayrton, who was chairman of the Committee, of 1861 and 1866, that it was thoroughly understood and expected on all hands, that every form of the dues would come to an end in 1889; *Firth* 618. 735.

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R.

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S.

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Scott, James Benjamin. (Analysis of his Evidence.)—Witness, who is clerk and registrar of the coal market, explains that the net produce of the 4 *d.* duty on sea-borne coal, after deducting about 25,000 *l.* for drawbacks, is 53,385 *l.*, or about 50,000 *l.*, deducting the cost of administration, 505-507. 510—It is probable that the quantity of sea-borne coal would

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Witness (who is clerk and registrar of the coal market) explains that the net produce of the 4 *d.* duty on sea-borne coal, after deducting about 25,000 *l.* for drawbacks, is 53,385 *l.*, or about 50,000 *l.*, deducting the cost of administration, *J. B. Scott* 505-507. 510—It is probable that the quantity of sea-borne coal would be much reduced if it alone were liable to duty; this would operate very prejudicially to the trade, *ib.* 508, 509.

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T.

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W.

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